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**New Zealand Television:
What are the benefits of state ownership
of television in a commercial world?**

**The Public Service Broadcasting
debate continues ...**

A thesis presented in partial fulfilment of the requirements for
the degree of Master of Arts (Social Sciences) in Media Studies
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Abstract

Faced with the possible sale of our free-to-air state broadcaster Television New Zealand to overseas media interests, this thesis argues a firm case against sale, and sets out to create further public interest and comment. Television is valuable more for its programme content than its ability to raise revenue. Starting with the premise that television has a unique role as a mass communications medium in creating social reality, discussion centres on how ideas of cultural identity, democracy, sovereignty, and national identity are articulated and supported through locally-made, creative and diverse programming; and how this is strengthened in having the state broadcaster take a leading part in setting a high standard in the service provided. The tensions created by economic globalisation of media products are examined, especially in relation to how small nation-states such as New Zealand encounter a deterritorialisation of social identity arising through rapid technological advances and media processes which ignore national state and cultural boundaries.

The origin of state television in New Zealand is documented, particular emphasis being given to legislative control, financial performance and the effect that organisational structure has on the content, diversity and standard of programmes scheduled. Maximising the financial performance of TVNZ through saturation advertising is questioned, and the recent polarising debate by politicians, commentators, and the public on the merits or otherwise of state ownership of TVNZ is covered in detail. A comprehensive study of the ABC and SBS in Australia is included, which informs an alternative proposal for TVNZ based on significant restructuring.

This thesis concludes TVNZ should be retained in government ownership, but with TV1 guided by a charter which moves its prime function away from commercial imperatives. TV1 should concentrate on developing a broadcasting service dedicated to programmes which contribute a sense of national identity, and which reflect the cultural diversity and aspirations of all New Zealanders. To assist in these goals TV1 would be publicly funded to provide daily prime-time ad-free 'windows' used to schedule programmes in line with its charter. TV2, and a range of industry mechanisms, would be used to ameliorate the ratio of tax-payer funding.

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Introduction

“Who can tell me what are the advantages of the State owning a TV network which it has absolutely no control over, other than to pay the bills or, to collect the profits”

(Rt Hon Jim Bolger, Prime Minister, 2 October 1997:
on *Insight*, 8pm, 17-11-97, National Radio)

Context of Research

This research has been born out of a desire to open up the narrow issue of funding a state-owned national free-to-air television broadcaster, and expose it to a debate far wider than one simply based on economics. This thesis promotes discussion on the need or desirability for the state to retain ownership *for the express overriding purpose* of developing a way to articulate - within a (televisual) discourse - what constitutes New Zealand's national and cultural identity.

In recent times, a number of New Zealand and overseas writers and commentators have placed the constant restructuring and current deregulated market in which New Zealand's national television broadcasters operate into a well documented historical context (Spicer, 1996; Smith, 1996; Bell, 1993, 1995; Cocker, 1996; Comrie, 1996; Hope, 1996; Moran, 1996; Cunningham & Jacka, 1996; Sinclair, Jacka & Cunningham, 1996). Some have argued in their work for consideration to be given to reform yet again of the operative structure under which Television New Zealand (TVNZ) functions. Their reasons are often multiple, but this study, always acknowledging the economic funding restraints which exist in a relatively small nation-state economy like New Zealand, will focus on what is the value (possibly only an esoteric value) derived from the continued (re)production of a sense of national culture and identity of a sovereign state.

The concept of a New Zealand national identity has been subject to a great deal of rigorous enquiry within both theoretical and popular cultural frameworks, such frameworks encompassing our colonial heritage, our indigenous and settler populations, and our own perceived physical geographic isolation. Much has been written upon the subject (for example, see Phillips, 1996; Spoonley, 1991; Bell & McLennan, 1995; Claudia Bell, 1996; Taylor & Wetherall, 1995; Durie, 1998; Awatere, 1984; Lee, 1995). The concept will be stated and acknowledged in broad terms as an elusive, and contestable, entity - immensely problematic to elucidate or satisfactorily

define. Notwithstanding, it will be the desirability of its capture and perpetuity through state-owned television that will be the focus here. To be able to sustain and grow a national cultural identity in the face of global media communication technologies which today transport, display and promote cultural and ideological practices from other cultural blocs - in such a way as to be almost irresistible - is itself problematic for smaller nation-states.

By being able to recognise a cultural identity of their own reflected from the television screen, New Zealanders may secure a space for their identity, an identity-space (Morley & Robins, 1995; Robertson, 1995) which provides a foundation, a base, upon which to build our own view of who we are, both as individuals and as a nation group or societal mass. The globalisation and glocalisation of media strains, or flows, (Featherston & Lash, 1995; Robertson, 1995; Friedman, 1995), via or in conjunction with the political-economic world order of neo-right and philosophic market-led economies of nation-states, is resulting in a distinct conflation of what Luke (1995) describes as neo-world orders where there are 'virtual communities, involving such levels of hyperabstraction that time destroys history, space destroys reality and the image/information flows destroy the social' (Featherston & Lash, 1995, p. 7).

This experience of disorientation, hyperreality, and alienation, invariably exists alongside a 'concreteness' of self-identification made inalterable by an enduring sense of national identity from which comes a deep contextual understanding of who we are. The retention of a national free-to-air television channel dedicated to developing and promoting programmes which reflect New Zealand identity and culture is a critical mechanism in safeguarding such bedrock foundations within the New Zealand context. This study is aimed at reaching out and conceptualising such idea(l)s and valorising them sufficiently that they aspire to reflect the fundamental one 'essential' quality they appear to lack within the current debate - an economic value.

Scope of Research

This research concentrates on the present structure of TVNZ as a state owned enterprise (SOE) and how it currently operates as a free-to-air state broadcaster. Although politically threatened with privatisation (that is, the sale of publicly-owned TVNZ assets to private interests), it is at present a public asset providing free-to-air terrestrial broadcasting (via TV1 and TV2). TVNZ is currently funded from a combination of advertising, sponsorship, sale of programmes, services and the like, and through subsidies gained from the public broadcasting fee, levied on the owners of

television sets and collected by New Zealand on Air (NZOA) on behalf of the Government. The ownership, structure and method of funding of TVNZ - this study will argue - has a major influence on the *content* of programming which appears for audience consumption, and as much influence again on the placement of programmes, that is, the timing and duration of their showing, whether it be in prime time, or at the extreme margins of the schedules.

A discussion will ensue on the way a sovereign nation-state can be held together by the formulation of a view of itself via media communications, and why television - and TVNZ in particular - is destined to be such a major player in the promotion of a sense of national community and social coherence within New Zealand. A dichotomy of democracy versus social control (for the good of the public; but not always operated totally in the interest of the safeguarding of democracy) will be considered in terms of the notion of the Public Sphere (Habermas, 1989), and the way that the (presently) twin models of networked television (public service; private ownership) can exist side by side in a commercially driven market-based modern economy.

To provide a counterbalance to arguments which talk of the undesirability of New Zealand to continue to publicly fund a state free-to-air broadcaster (of any description), the Australian experience with the Australian Broadcasting Corporation (ABC) - and the Special Broadcasting Service (SBS) - will be looked at in some detail, both as to the funding mechanisms currently employed and the perceived relationship that these may have on the content and spread of programmes broadcast to the Australian public.

Finally, within the context of the findings, the conclusion of the thesis will look at the question as to whether the aim of retaining public ownership of TVNZ is able, within a conceptual framework, to attain a value sufficient to convince its controlling stakeholders-for-the-time-being (the ruling elected parliamentarians) to engage in a far wider political and social debate on continuing ownership in some form than has eventuated so far.

Research Questions

From the outset it was held that the present commercial focus of TVNZ was directly responsible for the arguably less than adequate standard (and lack of diversity) of programming shown on free-to-air state-owned television. The question to be asked was whether there were any obvious alternatives which might lead to improvements being made? The immediate supplementary question, or corollary, seemed to be - if there are, are they affordable? It seemed evident that the economic considerations were going to be highly

problematic, if not almost insoluble. Whenever the subject was debated at length discussion almost invariably turned to cost, burying most other issues beneath 'essential' economic discourses. That this study could not ignore such matters was immediately clear, and some financial data (concerning mainly the funding sources of TVNZ) was needed to form the basis of a case study which looked at the economics of television. But the research questions formulated below mainly concentrate on social aspects connected with the special nature of television in the lives of the people it serves. For this thesis sees television firstly as a service to its viewers, and secondly as a business providing 'financial value' rather than 'mandatory profits' for its shareholders. Accordingly, the following research questions have that as their focus.

What are the particular qualities which separate out television as a unique medium within mass communications in a global world economy?

To what extent is it desirable that television should actively pursue its potential in developing and sustaining a national cultural identity for its audience?

Is state-owned public service television still functional as a model, and is it the best way to maintain and increase local programming in New Zealand - that is, local programmes which reflect and develop a sense of national identity and cultural wellbeing?

Should Television New Zealand, in particular, be retained as a state asset, be re-structured, be contracted out, or be sold?

Should we legislate to retain and safeguard public free-to-air terrestrial television in New Zealand in the face of both overriding economic imperatives/pressures and uncertain political support?

Research Methodology

This thesis looks at media policy, or more specifically, broadcasting policy formation in New Zealand. In doing so it reaches into a number of areas of contemporary media theory, developed both within New Zealand and overseas. It involves a number of inter-related methodologies and research disciplines which have become fused together during the process of answering the research questions uppermost in the enquiry.

The studies into particular aspects of the operation and structure of TVNZ in New Zealand and ABC and SBS in Australia are evaluative case studies. As Stenhouse (1988) notes, these are where 'a single case or a collection of cases is studied in depth with the purpose of providing ... decision makers ...

with information that will help them judge the merit and worth of policies, programmes or institutions' (p. 50). Stenhouse also points out that such studies are caught in 'the time scale of the programmes' (that is, the cases) they are evaluating, and this is particularly the case in this study. Events have continued throughout the period of this thesis to influence the content of the final thesis and its conclusions, as might be expected. Events will also occur prior to its publication which impact on information contained within, such being the nature of evaluative case study methods.

All case studies are undertaken with a pre-defined purpose in view. This thesis is undertaken to illuminate future policy options and to place TVNZ within the historical context of broadcasting in New Zealand. Most who read what is written here will have brought their own knowledge and personal preference to bear on what they read. Almost all will have experienced television in some form throughout their lives, for it continues to be a subject, for many, of intense personal opinion. The same is true here, and both the New Zealand and Australian case studies are used for the express purpose of forming opinion, and also moving the debate away from personal subjectivity. Stake (1995) refers to making generalisations from case studies in such a way that they have wider implications than just informing the case. He uses the term 'naturalistic generalisations' to describe the process by which 'conclusions arrived at through personal engagement in life's affairs or by vicarious experience so well constructed that the person feels as if it happened to themselves' (p. 85). The problem here is that 'case study, like all science, is a social and cultural process' and needs to account for 'justified true belief' (Kemmis, 1980, p. 102) if it going to taken on its merits. It is the 'shock of recognition' (ibid., p. 124) stemming from the researchers own experience which creates a semblance of the certainty of knowing, and provides 'the belief in justification' (ibid., p. 104) which the researcher is seeking. Kemmis adds that 'portrayals are intended to communicate the experience of the situation to the reader; they offer surrogate experience. Portrayal promotes knowing through imagining' (ibid., p. 127).

To achieve the above it is necessary to adopt an approach to research grounded in theory - a philosophic theory which allows the researcher some ability to claim support for the conclusions made. *Critical theory* has been used within social science for this purpose for a number of decades since the early part of the 20th Century. More a framework than a unified theory (Clark, 1997, p. 45), it allows what Habermas terms 'an emancipatory interest' which consists of 'the human demand to be fully self-actualised rather than being subject to ideological mystification' (ibid., p. 49). Habermas states:

A critical social science ... is concerned ... to determine when theoretical statements grasp invariant regularities of social action as such and when they express ideologically frozen relations of dependence that in principal can be transformed. To the extent that this is the case, the critique of ideology ... takes[s] into account that information about law-like connections sets off a process of reflection in the consciousness of those whom the laws are about. The level of non-reflective consciousness ... can be transformed ... The methodological framework that determines the meaning of the validity of critical propositions of this category is established by the concept of self-reflection ... Self-reflection is determined by an emancipatory cognitive interest (Habermas, 1971, p. 310, as cited in Clark, 1997, p. 49).

As Clark later mentions, self-reflection is necessary in order to reveal the causes of distorted understanding possibly hidden from one's own consciousness. Dealing as this thesis does with a subject which is both political and economic, critical theory allows the freedom or liberation (emancipation) from the material forces which hold us in a state of social domination (Clark, 1997, p. 52). Also, it frees the researcher from having to initiate original research of a nature and scale not contemplated on matters already enquired into or studied; it allows the introduction of material and evidence of established and published fact, including the interpretation of matters of documented public record, published works, and visual and aural transmissions; it encourages scrutiny of opinion and dialectical discourse leading to logical disputation.

As indicated earlier, the several methodologies used in this research have become fused together, but running throughout is a chronological approach which, as Comrie (1996, pp. 89-90) observes, is a clear methodology for providing a context for the analysis of historical narratives based on primary sources (publications, books, official documents), secondary sources (contemporary works, press reports and magazine articles) and visual and aural archival material. Chapters One and Two deal with the place television has in our past and present society, and how implicated it has become in the discourse of globalisation. Chapter Three places TVNZ in a historical overview of the development of free-to-air terrestrial television in New Zealand. Chapter Four records a selective chronological record of an 'almost invisible' public debate over the proposal to sell TVNZ to private interests, and a selection of the views of some who have written of the proposal. The length and detail of the writing in this chapter is intended to produce in the reader either 'a shock of recognition' or a questioning of the issue through others who hold opposing views. Either way, it is the

foundation for the propositions brought forward later. Chapter Five is used to illustrate how the public service model has developed in Australia, and demonstrates that the problems encountered are similar to those highlighted in this thesis, notwithstanding a distinctly larger population. Chapter Six canvasses support for a hybrid public service model based on a restructured TVNZ.

Chapter One

1.1 Television as a Communications Medium

This opening chapter comments on the devolution of television from its birth to the present day, and how its intrinsic nature gives it a special importance as a communications medium, that is, an importance over and above any perception of it being simply a commodity or service to be consumed or used - perhaps a significance other than simply a means to provide revenue and profits.

The world's first television service was introduced to viewers in Britain in 1936 (Gorham, 1949, p. 92) after twenty years of experimental demonstrations. In his foreword Gorham predicts that 'the future of television is more important than its past' (*ibid.*, p. xiv). These words have never been more apt than when applying them to New Zealand free-to-air television in the late 1990s. It may be helpful, though, to pause and consider some of the early expectations of television, if only to recapture some of the vision that was associated with the medium at its outset. Gorham documents the first 'outside broadcast' (live transmission of a 'media event') as being the State procession to the Coronation of King George VI in June 1937, where 'the television cameras looked into the Royal coach from a distance of a few yards as it passed out of Hyde Park' (*ibid.*, p. 43). This ability of television to capture events and place them 'live' on the screens in the homes of viewers still exists today, but transmissions are now often edited in 'real-time' by constant studio-based switching technology, technology which interferes with the actual content and creates a subjective 'point-of-view', by using methods of pre-recording or delaying of live broadcasts. This acts to allow mediation of 'reality' via such processes. Exceptions do exist, as in the case of the funeral in London of Diana, Princess of Wales in 1997 (where mediation was minimised by the 'live' nature of the event sent around the world, with correspondingly less opportunity to edit), but increasingly, particularly in sporting events, 'outside broadcasts' are recorded/edited and 'delayed' for reasons of maximising financial advantage.

There were other possibilities, and Gorham covers the most obviously familiar in turn: 'plays' (drama), sport, the Arts, news, documentaries, entertainment and, in reference to the developments on television in America at that time, advertisements. He is critical, though, of what he saw at that time as a lack of balanced programming, mainly caused by a perceived lack

of imagination by the broadcaster (*ibid.*, p. 102). In writing of the future direction, Gorham comments:

Sooner or later this new way of mass communication will force itself on every civilised nation and every nation that aspires to be civilised. It can itself be a civilising instrument, and whether for culture, information, entertainment, or sheer internal propaganda, it is an instrument that every nation will want to use. ... It is the same with television across national frontiers. Before long the nations will be exchanging programmes, and countries that could not afford to run a television service entirely on their own will be able to share the talent and resources of their neighbours (*ibid.*, pp. 105-8).

What is interesting here is the early reference to television as a (social) *service*. Gorham reinforces this by commenting that there will be regular programmes at regular times: special sessions in the morning for women, afternoons for schools, evenings for children, sport on Saturday, religion on Sunday, and so on. The implication of this is that television is here to *inform, educate* and *entertain*. These three tenets became the foundation of the BBC tradition of public service television, a tradition which remained unaltered all the while a strict regime of state regulation and control continued. As Gorham concludes his overview, he notes reservations on two issues concerning the provision of future broadcasting, both national and worldwide: cost and control. He points out: ‘The decision how it is to be paid for and who is to control it will be a vital one ...’ (*ibid.*, p. 141). The present concerns are much the same as we move on to the next century.

Having dwelt on Gorham’s reflections made at a time when technological developments were uncertain, it seems that the social issue he raises concerning television’s role to inform, educate and entertain is paramount in New Zealand today. Whilst TVNZ remains under government ownership as an SOE, some vestige of ‘service’ (as in public service: with social obligations) continues to underscore the role of the free-to-air broadcaster. The problems Gorham foresaw, that is, finance and control, today impinge on the ability of TVNZ to react to cultural concerns; the source of funding, and the control through accountability, lead the broadcaster into economic imperatives which cannot be denied or subverted. As a communications medium television is now frequently hamstrung by financial considerations and is thus prevented from communicating in a way a number of its viewers might wish it to (or, rather, might have assumed that it would).

To understand what is missing needs a wider understanding of the medium of communication itself. Carey (1989) makes a distinction between a

transmission view of communication and what he labels 'a ritual view of communication' (p. 15). The first is the more usual way of comprehending communication as sending/receiving information from place to place, from person to person. The ritual view of communication involves: 'terms such as "sharing", "participation", "association", "fellowship", and "the possession of a common faith"'. This definition exploits the ancient identity and common roots of the terms "commonness", "communion", "community", and "communication" (ibid., p. 18). Conceptually, it extends the role of communication into social practice where shared cultural ideas and identities are sympathetically created, much like *Gemeinschaft* (a form of community life where mutual sharing, customs, traditions and the like proliferate amid frequent close personal bonding, and where the sharing of positive personal values among others abounds). Communication, then, can be seen as more than just transmission: it can act as a process where 'shared culture is created, modified and transformed' (ibid., p. 43). It is the involvement of communications media such as television in the cultural and social life of New Zealand and its people which forms the focus of this thesis.

Television is often referred to as 'radio with pictures', and like radio it is a mass communications medium. Its ability to reach a mass audience marks it out as significant in several ways:

... a power resource - a means of control, management and innovation in society ...

... a location (or arena) where, increasingly, the affairs of public life are played out, both nationally and internationally ...

... the location of developments in culture, both in the sense of art and symbolic forms, but also in manners, fashions, styles of life and norms ...

... a dominant source of definitions and images of social reality for individuals, but also collectively for groups and societies; they express values and normative judgements inextricably mixed with news and entertainment ... (McQuail, 1987, p. 3).

McQuail's list given is neither complete nor exhaustive, but it demonstrates the existence of a profundity within a medium more often than not considered to deal with the superficial and trivial. Political and social life interact forming cultural practices and traditions which become embedded in our consciousness. Television, as a visual medium, displays and reinforces such cognitional recognition by both introducing awareness of new (and future) experiences to be savoured, and, at the same time, also reminding us of our 'shared' past. In a brief summary of the dimensions and dynamics of

the mass media, McQuail describes the relationship of the media to both politics and cultural practices as one which evolves slowly over time. He argues there has been a dominant movement within mass media communications from 'centrality to politics - to political marginality' and from 'high culture - to [the] mass-cultural' (ibid., p. 25). The causes of this slippage are multiple, but the result is reflected in what we see (or no longer see) on our television screens. Both the political and the cultural are areas of great interest to television viewers, and both are crucial when considering television as an important instrument of mass communications.

Taking the issue of politics first, in a free and democratic society such as New Zealand there is a need for scrutiny and open debate about the laws our legislators draft, consider and eventually pass into law. Democracy is served when justice is done and seen to be fair, reasonable and just. McQuail (1991) alludes to the Western democratic tradition when he names the core values of our society as 'freedom; justice/equality; order/solidarity' (p. 72). The public media, he asserts, plays a role in upholding these values by acting as communicators and carriers of diverse messages - and also as an authority for the examination and close scrutiny of events, opinions and the polity and processes of government. Absence of the mass media in their 'watchdog' role leads to a shrinking of plurality (of opinion), a state of atrophy where alternative views diminish over time to a position where 'there is no alternative'. With television as an example of a mass communications medium, (and this thesis argues that television is *the* mass communications medium), it has a crucial, critical role to provide an open space for political debate, a place traditionally inhabited by the mass media and known as 'the public sphere'.

Although there is no simple definition of the public sphere, it can most easily be seen as a traditional place for informed and rational debate, a space where economic, social and other important issues are laid bare; where private individuals; corporate and business interests; public bodies and officials; and others, gainsay or agree to each others views, positions or standpoints in a rational democratic manner. In short, views expressed are discussed, positions are canvassed, and all parties agree to respect and uphold the right of each to hold their own view, from which a consensus may or may not be reached. Habermas, in his seminal account, *The Structural Transformation of the Public Sphere*, chronicled the rise of the public sphere in Britain, along with the rise of the 'bourgeoisie'. He writes:

The bourgeois public sphere may be conceived above all as the sphere of private people come together as a public; they soon

claimed the public sphere regulated from above against the public authorities themselves, to engage them in a debate over the general rules governing relations in the basically privatised but publicly relevant sphere of commodity exchange and social labour. The medium of this political confrontation was peculiar and without historical precedent: people's public use of their reason (Habermas, 1989, p. 27).

The change in the structure (and use) of the public sphere came about when, to quote Calhoun, 'private organisations began increasingly to assume public power on the one hand, while the state penetrated the private realm on the other. State and society, once distinct, became interlocked. The public sphere was necessarily transformed as the distinction between public and private realms blurred ...' (1992, p. 21). This blurring, according to Calhoun's explanation, caused the public sphere to shift from a space for 'rational-critical debate' to a place of (economic) negotiation. The domain, for so long an arena of articulation of ideas, opinions, and issues, became simply a place of/for sale - of ideology; of consumerism; of economic advantage. In Habermas's words: 'The world fashioned by the mass media is a public sphere in appearance only ... the public sphere itself becomes privatised in the consciousness of the consuming public' (1989, p. 171). Calhoun sees the transformation as involving a 'literal disintegration' where the public sphere has become more an arena for advertising than a setting for critical debate (1992, pp. 25-6). This shift to a 'privatisation' of the public sphere has also caused an asphyxiation of public access *to* it, especially by marginalised groups and minorities whose voices have never been fully represented, and who now find themselves more *talked about* than *talked with*. Television is only one mass medium of a number operating within the public sphere, but arguably it is one of the most influential, popular, *and* the one almost totally accessible in a mass societal context of viewing, if not one of participation within the meaning of *taking part*.

Looking primarily at the politico-economic public sphere - rather than the socio-cultural - at this point, the bourgeois-liberal public sphere of earlier times was thought of as an idealised space which allowed critical discourse of matters political to be carried out in such a way that public opinion was formed and informed political debate took place, much of it by private individuals in public forums. The political public sphere now paraded on television is a poor, starved image-driven imitation of the one of Habermas's origin, and, as Calhoun notes, (political) parties now dominate politics. Although the televisual version of the public sphere 'responds to a "democratic" broadening of the constituency of the public' (by way of increased access to television sets), it is 'at the cost of its *internally*

democratic functioning' (my italics, *ibid.*, p. 27), a situation which seems irreversible given the economic imperative currently defining television in this country. What is being witnessed here is a narrowing of the space available - not to be confused with increased access by numbers to the reduced sphere itself - together with a change in the tenor of the practice of democratic participation, where the practice is preached, but less frequently practiced. There lacks a depth of rational-critical discourse, the result of which can be seen reflected in programme content as much as anything, often leading to an emasculation of political thought and purpose; this in turn leads to the setting of new (often lower) benchmarks for participation for those groups in society whose views already are minimised.

1.2 The Mass Media, The Public Sphere and Politics

Discussion of political matters in relation to news reporting often focuses on journalistic issues such as bias, objectivity, subjectivity, balance and fairness and the like (see McGregor & Comrie, 1995; Morrison & Tremewen, 1992; McGregor, 1996; Maharey, 1996; Comrie, 1996; Campbell, 1992; Hartley, 1982; Galtung & Ruge, 1973; Glasgow University Media Group, 1976; 1980; 1985). However, unlike such studies, the focus here concentrates more on the size of the space in which the political discussion takes place (rather than the quality or the content of the discussion itself), and centres on state-owned television specifically. Whilst doing this the task is made more difficult by TVNZ existing within a media context of changing technologies. Also, the state-owned broadcaster faces 'competition' from private interests for whom survival and profits determine their ethos, philosophy and, as an end result, their strategic competitive reaction to the market - the same market in which TVNZ finds itself a major player.

Whenever state-owned broadcasters operate within a political public sphere, there are three possibilities which immediately come to mind: that they are operating (or are not operating) independently of the State; that they operate in the public interest, on behalf of the public, for the public good; that they are there to provide a service for the citizens they serve. A fourth possibility might be that they provide a space for the exercise of democratic debate in those countries where democracy flourishes. Curran (1991), writing in support of a reappraisal of the connection between current mass media practices and democracy (in democratic countries), suggests that 'The domination of public service broadcasting in western Europe is weakening in response to a combined commercial and political onslaught'. He explains: "Discussion of the democratic role of the media is bound up with a debate about how the media should be organised ... but the process of going back to first principles and reappraising the democratic role of the media also raises

questions about the adequacy of conventional public service alternatives to the market' (p. 82). Here Curran is alluding to Habermas's view of the changed public sphere (the nature of which may cause a publicly state-owned broadcaster reliant on advertising some discomfit), and suggests Habermas implies that instead of providing a place for rational-critical debate as in the past, the mass media communicators have moved to enter the realm of manipulating mass opinion, and have redefined politics by relegating it to a spectacle, turning the audience into passive consumers of 'pre-digested, convenience thinking' (p. 83).

This may be where we are at this present moment, but what should the state-owned national broadcaster be offering in a diminished democratic political public sphere? Presently, what may be detected could be a reduction in the championing of social equity; an unawareness, through invisibility, of possible alternatives; the lack of a space for those on the margins of society to have their views listened to and considered; the existence of a world where understanding is reduced a level of naturalised or universalised experience. All these arguably happen through the slow fragmentation and disintegration of a vibrant public space for articulation of ideas and opinions, caused or encouraged by an atrophying public sphere.

In New Zealand, unlike Britain with the BBC; Australia: ABC and SBS; or Canada: CBC; the problem centres around the need for the provision of saturation advertising on our state-owned channels operated by TVNZ. It may be quite easy to look at Curran's prerequisites for a political public sphere (and these will be considered further shortly), and suggest that there is little wrong in the deregulated model we have, but, even the channel which most resembles a free-to-air public service broadcaster (TV1) carries substantial advertising throughout its programmes. This happens to an extent where often the sense of any thread of conversation is lost forever in a series of commercial messages entirely unrelated to the subject matter being aired. The interruptions themselves centre entirely on maximising still larger accumulations of profit via commercial advertising and promotions. Meanwhile, concentration is lost and the viewer/subject relationship breaks down. The demands on, say TV1, for advertising revenue generated by frequent breakouts can distract the viewer, and fail to give any reasonable sense of space needed to allow a democratic political public sphere to operate. Curran foresaw a second phenomenon which further reduces the likelihood of a vibrant public sphere - a practice which has become commonplace on New Zealand television - the purchase and use of cheaper 'globally syndicated programmes'. He foretold: 'Its longterm effect could be to encourage some public service broadcasting systems with falling audiences and revenues, to rely increasingly on cheap imported

programmes. Beyond a certain point, this would reduce their capacity to facilitate collective self-reflection in a national context' (ibid., pp. 107-8).

The commercial imperative, therefore, is uppermost whenever TVNZ turns to look at the production (or purchase) of programmes which might offer a platform for coherent and informed debate in the arena of politics or socio-economic issues. There has to be mass audience appeal since success or failure is mostly determined by ratings-driven mechanisms (for the advertisers), rather than by public comment or viewer feedback. Without canvassing at length the various programmes which do contain some element of critical and rational debate, what occurs at a general level is debate which is truncated, either by a perception to avoid 'talking heads' at all costs (the threat of loss of viewer attention through 'grazing'), or by the need to divide the programme into short 'bites' to provide 'natural' breaks for advertisers. The advertising 'windows' interrupt and disrupt markedly the flow of any discourse which might perhaps have been in the initial stages of development.

McDonnell (1997) has developed a view centring on the *Holmes* show which appears on each weekday night at 7pm on TV1. In discussing its 'unique place in New Zealand's television culture' (p. 2), McDonnell explains its ideological role in a cultural and social context as being exemplified by emotional appeal, sentiment and a plea for national unity. He expands: 'In cultural terms, what the *Holmes* show achieves at these times is the creation of an electronic *community*, a quasi-tribal unity that binds people who are geographically separate into a constructed nation of viewers' (author's italics, ibid., p. 3). This five-nights-a-week programme is an important example in New Zealand of the popular mass media interacting and reacting within a public sphere, and drawing entertainment and politics close together in a mix of spectacle, emotion and debate. Frequently on this show Paul Holmes is able to cajole and pressure top-level politicians, from the Prime Minister down, to appear on the programme - often ill-prepared and at short notice - to defend or attack an already defined 'issue-of-the-day'. The debate, or argument, which ensues is conducted by Holmes in the full knowledge and understanding that to succeed it must: be confrontational; be foremost entertainment; operate at a high emotional level; and, preferably, be kept simple. The programme cannot be allowed to slow or stagnate, and discussion must move on at a fast pace to cover as much ground as possible - as much as anything to avoid the programme interfering with the scheduled breaks for advertising. The frequent result of all the above is that political debate, indeed, any conversation, within this narrow frame-space is short (often very short) of any rational/critical reasoning, the end result being that the audience is left little wiser as to the

parameters of the issue or the various standpoints of the debaters. The overriding perception of the ten or twelve minutes segment is one of spectacle, and, at times, high comedy.

The *Holmes* programme may be an extreme example to consider. There are other programmes on TVNZ where more time is allowed, and which seek to inform in a reasonable way. However, it is the format which is interesting here, and it should be acknowledged that other discussion programmes with alternative, wider formats are either shown less frequently, or are relegated to the margins on the 24 hour schedules, tucked away where they reach only a fraction of the viewership of *Holmes*. Finally, it must be said in their defence that neither the producers of *Holmes*, nor Paul Holmes himself, makes any claim that the programme is anything more or less than what it is - infotainment. That is, it is an entertaining information programme, bordering on the outskirts of news and current affairs. As McDonnell points out several times within his article, Holmes is not frightened by an excess of emotion, nationalistic fervour or spectacle on his programme. It continues to draw huge viewership for TV1 at a crucial time in the evening schedule (*ibid.*, pp. 2-3). It can, and does, though, reveal a successful and popular formula for political discussion on New Zealand television, and sets the base level for a type of public sphere in this country. This is useful when looking at the further ideas and models which Curran suggests can be taken up by broadcasting media interested in promoting a wider and more democratic public sphere than perhaps we might experience at present.

In discussing the televisual political public sphere in New Zealand, it is helpful not to forget that one model type cannot fit all countries, and also that commentators most closely identify with models which work, or could work, in countries similar in size, population and culture to their own. Their conclusions may or may not easily transport to other countries, other situations. Whilst the logic of these comments may be obvious, it is important to move away from the argument, often put, that the solution for New Zealand might be a British-type BBC, or an Australian ABC. Simple translocation from one country to another does not allow for the many variables which can exist to cause incompatibility within the framework being suggested. Notwithstanding, New Zealand has a British heritage and the majority of its inhabitants are English-speaking. Australia is our nearest neighbour and has an indigenous Aboriginal population. The USA is a major programme producer and supplier to New Zealand, and the programmes are mostly in English. Canada is an English-speaking Commonwealth country, similar to New Zealand, and has a large French-speaking province. These countries have a common link inasmuch as they all have state-owned 'public service' broadcasting channels. Not that all are in a healthy state financially,

most have undergone, or are undergoing, reviews of operations and funding. Australia (ABC) has faced a recent inquiry (The Mansfield Review, 1996) of major proportions, and the outcome and recommendations will be looked at in some detail in Chapter Five. The reappraisal which Curran called for in his essay in 1991 has taken place in a number of countries and is continuing in New Zealand also (eg.: The New Zealand Broadcasting School seminars, Christchurch, 1997, 1998 and 1999).

Curran's reappraisal concerns the public sphere and a rethinking of the informational role of the media. He believes that 'By generating a plurality of understandings, the media should enable individuals to reinterpret their social experience, and question the assumptions and ideas of the dominant culture' (1991, p. 103). His is an emancipatory project enabling opposing ideological views to be expressed, considered and explored in the context of social change. Before this can occur there has to be 'representation', recognition of opposition and 'open access' to the arena of debate, after which there should be conflict resolution through the political process. This project can be most easily seen in New Zealand in relation to the four-yearly General Election. How television covers and promotes opposing viewpoints in future elections will be crucial. Recently, the trend is to focus on personalities rather than policies, and this is far from emancipatory for a large part of the population who might wish to be informed in such a way that they are able to use their vote in a considered and informed manner. Curran identifies problems in the wider arena of mediated politics related to hegemony, and the actions of the power-based elite who control the legislation under which state-owned media operate. He comments:

A genuinely pluralistic media system implies enabling dissident groups within the working class to command effective communication resources, fostering sectional loyalties ... and staging an open public debate that weakens adherence to dominant political and social norms. This is in marked contrast to the experience of most countries where the media are usually integrated into the hierarchy of power and where the media function as agencies of social integration and control (*ibid.*, p. 104).

Curran's solution, a model of a democratic media system, has a 'public service' broadcaster at its core, surrounded by four other sectors, namely, a civic sector, a professional sector, a private enterprise sector, and a social market sector (*ibid.*, p. 105). Simply put, the civic provides input and response from public institutions and bodies; the professional requires journalists and media personnel to speak to the public from professional and

ethically trained backgrounds; the private enterprise covers input from an economic, commercial and business perspective; and, lastly, the social market gives alternative views on behalf of the people via community groups, spokespeople and individuals themselves. This is not at all dissimilar to the way public service models have always worked, but Curran's core media services radiate out and carry a direct responsibility to seek and capture input from all of the four basic sectors so as to promote and inform discussions from the outset. This framework would be more likely to gain positive comment from the sectors outside the core services than happens at present. The core may contain or facilitate access from both public and private broad- or narrow-casters, and might include niche channels and pay TV such as SKY. It is envisaged as having an inclusive centre, with public state-owned television as the core. The interesting fact about this model as proposed would be that it potentially exists already in New Zealand with TVNZ, specifically, TV1. TV1 could continue state-owned as now, but the commercial imperative, if not eliminated entirely, would need to be reduced considerably.

One matter which needs to be further considered is the democratic relationship of the state-owned network to the State. Manipulation of state-owned networks for hegemonic or propaganda purposes has always been a concern and subject to much questioning. Curran deals in turn with two perspectives. The first suggests that a need for effective insulation between the Government and broadcasters is paramount, and this rests on two imperatives - to limit government financial control by linking rises in the licence fee to the national earnings index; and limit government powers of appointment to broadcasting authorities essentially using independent bodies to appoint members. The other perspective concerns the widening of ideological scope, both in dialogue and the content and structure of programmes, ensuring that there is not an elitist or single cultural view that the audience should get 'what's good for them' - good for them in the terms of ruling or dominant hegemonic values of the society in which they live. As Price observes 'For any society that seeks to achieve a substantial degree of democratic participation, the structure of the communications systems is integrated with the functioning of the political system' (p. 23). It is not possible to define the public sphere solely in terms of market diversity of opinion within the free-market marketplace of business and commercial interactivity (as advocated in political terms by neo-right policies of state divestment); nor simply by the reporting back by media broadcasters of parliamentary business to the public in terms of the latest spat, for the audience to make of it what they can. The creation of a public sphere should

be a much more dynamic process, full of participation and interaction. In writing of such in the American context, Price comments:

The prevailing US theory of a free press assumes that a largely unrestricted market-place of speech will take care of the problem of supporting a democratic society; such an unencumbered press is sufficient as well as necessary, it is assumed to protect the citizenry from coercive government ... But the measure of an effective democracy is not only adherence to verified rules of the game - who can speak and when - but also to the substance of discourse and debate: the quality of speech and political life (ibid., p. 24).

Here we are faced with the libertarian theory of the freedom of the press (Siebert et al, 1956) or what McQuail terms the 'free press' theory (1987, pp. 112-6). It is not intended to canvas the subject here in depth, but it is sufficient to restate the view that it is necessary - in order that a state-owned and funded broadcaster may contribute to a democratic space for open and rational debate (the public sphere) - for the body not only to be independent and free of state interference, coercion or control of content, but also able to be *seen* to operate free of such interference, coercion or control.

1.3 Television as a Cultural and Social Practice

Although this study does not intend to inquire greatly into the realm of audience reception studies (that is, to research what people do with the media rather than what the media does to them, Halloran, 1970), it is profitable to look at television in the cultural and social context - what Carey terms the ritual view of communication. For, as Stemple Mumford points out:

... when we watch, we are not simply being entertained in some neutral way; we are having a political and ideological experience as well, and both our viewing practices and our ways of making sense of what we watch are articulated within a particular political and social context (1998, p. 118).

Newcomb and Hirsch (1994) acknowledge that the cultural aspects of television provide a bridge 'between a concern for television as a communications medium, central to contemporary society, and television as aesthetic object ... [which] through its storytelling functions, unites and examines a culture' (p. 503). The implication is that the cultural and social aspects of television, through aesthetics, provide a unifying foundation for our society to assess and express a reality of who we are. This enters the subjective area of national identity (which shall be discussed in further depth

in Chapter Two), and the social role of television. There are three major domains of social interactivity which television reflect: the linked areas of social relations, social difference and social change. Inevitably, looking at aspects such as these requires a theoretical approach, and, to some extent, an amount of distancing from the present. Movements in society are best judged (or perhaps easier to judge) in retrospect, since being involved in events at the time can cloud or distract from knowing what is happening, and extreme difficulty can be experienced in describing those events. Television has a social role, but much of its dealings in attempting to reflect a New Zealand identity features nostalgic references.

The evocation of nostalgia is an emotional process which also has the ability to cloud or distract, not so much because the events are past, but because they concern memory. Cultural and social practices of a people are also borne of memory, and social relations exist out of common bonds of reality and nostalgic memories. (What television does, in the form of the ritual mode of communication, is provide a visual display of our shared social existence and cultural heritage in a socially constructed world constructed essentially for us.) 'Ritual and the arts offer a metalanguage, a way of understanding who and what we are, how values and attitudes are adjusted, how meaning shifts' (ibid., p. 506). Newcomb and Hirsch are arguing for television to be seen as a cultural *forum* which is able to present 'a multiplicity of meanings rather than a monolithic dominant point of view' (ibid.). They see programmes as 'viewing strips' of televisual 'flow' (see Williams, 1971) which represent the range of socially constructed micro-worlds operating within society. (Working themselves within an American context (with predominantly American programming) the constructed world they see reflects for them the social reality of a lived experience.) (For us, within a New Zealand experience, much of what we see (though foreign produced) also becomes a socially constructed reality for us. How we interpret it, and what we do with it, lies in the theoretical perspective of audience reception. Shared experiences, nostalgic references and memory of lives lived are interpreted differently by each member of our shared social world.)

In his influential study *Encoding and Decoding in Television Discourse* (1980) Hall was able to show a way of understanding how and why the messages encoded (sent) in the form of television programmes were not always decoded (received) by audiences as being messages of unambiguous intent, that is, monosemic. This is important as it goes some way in explaining why some *locally produced programmes* dealing with ideas or formats of production from countries overseas do not necessarily end up being recognisable examples of a New Zealand national or cultural identity (for a discussion of such issues, see Moran, 1998) or, for that matter, always

warmly received by what was thought to be its natural audience. Hall's model essentially depicts the encoding/decoding of television texts as a discursive practice where meaning is produced, packaged, sent, and received, but during the transmission process it undergoes 'distortions' or 'misunderstandings' which 'arise precisely from the *lack of equivalence* between the two sides of the exchange' (Hall, 1980, p. 131, author's emphasis). The 'relations of equivalence' are unequal, unsymmetrical. Audiences identify ideological practices, and socio-cultural practices, within the programmes they watch, but decode them based on individual-based parameters such as: personal experience, learned behaviour, social values and the like, which, in turn, evoke and promote different interpretations of meaning in a social/cultural context. Hall's work explains the difference between the denotative and the connotative involved in the production of meaning on television, that is, iconic representations on the one hand, and representations formed by associative meanings on the other. Decoding these representations becomes a complex experience, where the meaning created relies on knowledge assembled by the viewer. Since the experience of watching television is both visual and aural - but not 'real' (for as Hall relates: 'the dog depicted can bark, but it cannot bite', *ibid.*) - it becomes a discursive practice. Hall explains:

Reality exists outside language, but it is constantly mediated by and through language; and what we can know and say has to be produced in and through discourse. Discursive 'knowledge' is the product not of the transparent representation of the 'real' in language but of the articulation of language on real relations and conditions (*ibid.*).

The reference to mediation through language opens up the area of individual interpretation of what it is we see on television. Hall takes us through the naturalisation processes of production and re-production of hegemonic dominance within society (aided by ideological practices) to the point where he identifies three 'hypothetical positions from which decodings of a television discourse may be constructed' (*ibid.*, p. 136). Without recording here his detailed descriptions of how each position may arise, it is helpful to restate them briefly. Firstly, the *preferred* view (the dominant-hegemonic position); secondly, the *negotiated* position (where the preferred view is recognised but becomes the subject of mediation by the viewer); and thirdly, the *oppositional* view (where the viewer is aware of the ideology of the preferred view, but purposely reconstructs an oppositional position) (*ibid.*, pp. 136-8). Hall's conceptualisation enables the aspects of individual and socio-cultural difference within societal groupings complete freedom of expression/interpretation towards the socially constructed televisual 'flow'

of programmes. With the explosion of interest in audience reception studies (encouraged by the proliferation of academic commentary and scholastic achievement in the broad field of Media Studies both in New Zealand and overseas) Hall's model remains a seminal touchstone from which much interesting theoretical studies have flowed.

Given then, that complex social relations and social difference can be present within television texts and can be seen in various ways by different audiences, can social change be promoted and developed within the medium of television? Or is it only able to reflect changes which are already there? Can it be an agent for change? If it were so, then there are implications for New Zealand society in any restriction of the range and diversity of programming which we see on our screens. McQuail considers the question revolves around 'the direction and degree of relationship between mass communication and other changes taking place in society - in brief, are media a cause or effect of social change?' (1987, p. 95). Although not completely answering this question, McQuail does conclude that 'the media, whether moulders or reflectors of change, are undoubtedly messengers *about* change, or seen as such by their audiences' (ibid., p. 103, my italics). This underscores the difference between what free-to-air state-owned networked television in New Zealand offers and what, if its economic and structural environments were different, it might offer. Under the current framework in New Zealand (which is the subject of later chapters in this thesis), television messages which talk of change in societal relations are not always welcomed by those who may feel they might be disadvantaged by such changes. Fiske acknowledges this view when he comments that:

The arguments that television is always an agent of the status quo are convincing, but not totally so. Social change does occur, ideological values do shift, and television is part of this movement. It is wrong to see it as an originator of social change, or even to claim that it ought to be so, for social change must have its roots in material social existence; but television can be, must be, part of that change, and its effectivity will either hasten or delay it (Fiske, 1987, p. 45).

The television text, then, can be an arena for social change, but there must be an adequate space, a place for that text - forged as it may be in a series of mediated or even oppositional constructions. An obvious domain would be as part of a open and vigorous public sphere. For, as Fiske reminds us, 'social change ... occurs as a result of a constant tension between those with social power, and subordinate groups trying to gain more power so as to shift social values towards their own interests. The textual equivalent of this

is what might be called “the progressive text”, where the discourses of *social change* are articulated in relationship with the meta-discourse of the dominant ideology’ (ibid., p. 47). The question here is, is there any way such a ‘forward-looking’ or ‘active’ text (which questions the dominant or ‘natural’ hegemonic view) can be interrogated on free-to-air state-owned television in New Zealand - without the current economic imperative forcing it to be lessened or altered to an extent where it is seen in such a form, and at such a time, by so few people, as to be but a pale version of the programme idea conceived by its makers?

A recent exception of such a text succeeding to make a significant impact - notwithstanding it being subjected to frequent advertising breaks - would be the showing on TV1 in 1998 of *The New Zealand Wars*, fronted by historian James Bellich. It can be seen as a clear candidate for being seen as revisionary (rather than reactionary) in a New Zealand historical sense and, contrary to expectations (see White, 1998, p. 70) it gained an unexpected large audience upon its initial showing. This programme may have been an (exceptional) exception, and, as such, demonstrates much in the field of television texts. It would have been, undeniably, interesting to have further experimented by showing it in its entirety without advertising breaks, and carried out audience reception studies with a sample audience. (However, it should be noted, that, by calling for such programmes to be aired by broadcasters in a particular way, nothing, in any sense, either ignores or denies the acknowledged ability of viewers as individuals to ‘read’ any programme which appears on screen in any way they might wish - that is just not the same dialectic. Such questions continue to be concerned with the empirical assessment of audience response and pleasure in aesthetic terms.)

1.4 Broadcasting Models: Public and Private

Having canvassed some of the political, social, cultural and communicative roles of television as a mass medium, it is time to look at the two most discussed functional models of broadcasting structures which exist. Within recent times, with the rapid technological advances of the last decade, it is now possible that neither of these models (which, for the sake of ease, can be called public and private) remain in a pure form anywhere in the broadcasting world. Briefly, (the *public* broadcasting model is that which is usually owned and operated by a sovereign nation-state, is free-to-air, available to all, and free of funding from commercial interests or sponsorship. The *private* model is independent of state ownership (but may be subject to regulation, censorship and the like), is commercially profit-driven, may be free-to-air or pay-to-view, and may or may not have full geographic coverage over the entire country.) Most of the active models

throughout the world at present are hybrids, that is, they exist along a line of continuum from public to private. (Television New Zealand is one such hybrid, having public service functions combined with a commercial-based profit-driven imperative.)

(Public service television arose in Britain out of an early concern that any mass medium which potentially had the power to influence public thinking or social attitudes should remain under the control of, and in the hands of, the State.) Radio broadcasting, in the custody of Lord John Reith, the Director-General of the British Broadcasting Company (BBC) from 1927 to 1938, moved along a set path which television, upon its introduction, followed for some time. Scannell (1990) has documented the early guidelines formulated by Reith for public service television (pp. 13-16), and many of Reith's doctrines are quoted in more recent commentaries on the role of public broadcasting today (see Robins & Webster, 1990; Smith & Paterson, 1998; Raboy, 1995; Craik & Davis, 1995; Price, 1995). Reith's manifesto for a public service system has often been criticised for its purportedly 'elitist' tone. Scannell (1990) records:

... there was an overriding concern for the maintenance of high standards and a unified policy towards the whole of the service supplied. The service must not be used for entertainment purposes alone. Broadcasting had a responsibility to bring into the greatest possible number of homes in the fullest degree all that was best in every department of human knowledge, endeavour, and achievement. The preservation of a high moral tone - the avoidance of the vulgar and hurtful - was of the paramount importance (p. 13).

What is interesting here is that controls still exist in most countries, to a greater or lesser degree, in what can be broadcast, and censorship, in its variety of forms and categories, does preserve a sense of upholding moral and community standards. However, it is the control of the structure and funding processes which concerns us here, and, to an equal extent, the degree that the medium continues to operate a public sphere. What Reith did was to establish that *policy* was the defining reason for state ownership. In this way, he considered broadcasting to be - to use Scannell's phrase - *a public utility* which could be operated for and on behalf of the citizenry, and, at the same time, be operated in such a way as to be in the public's interest, in short, a public good. These, then, were social aims - not economic goals. Many western democracies, and New Zealand was one, followed the path of Reithian ideals, first with radio, and again in the early decades of television. The early historical development of television in New

Zealand is recorded in Chapter Three, and graphically illustrates the subtle difference between 'public service' and 'state-owned' television. Sufficient to record at this point that public service broadcasting concerns itself mostly with *policy*, whereas a state-owned organisation may concern itself with *policy*; or with *policy and profit*; or, as will be argued later, mostly with *profit*. By concentrating mainly on policy, (public service television is able to concern itself more centrally with the previously identified roles of informing, educating and entertaining *with equal emphasis on each*.)

Moreover, the spectre of a state-administered system being seen as synonymous with state-control continues to cause concern and confusion among critics of public broadcasting. To administer a broadcasting network, through the management of 'public servants' (state employees), is not synonymous with state-control of the content of the medium. Often, the public body is independent of the state, empowered under legislation to operate the network at a distance, and mostly free of interference or pressure from the Government in power. (Public service television - often free of commercial profit-making goals, but not necessarily free from the frequent political constraints placed on taxpayer funding to pay for it - is able to give primacy to programme production and content rather than profit-making.) As Scannell suggests, public service television 'is a crucial means, perhaps the only means at present, whereby a common culture, common knowledge, and a shared public life are maintained as a social good equally available to the whole population' (ibid., p. 26).

(Privately owned network television, often termed commercial television, developed robustly in the USA. Since its inception, American television has been organised with its guiding principle being the free market and the ability to operate as a private industry (Hoynes, 1994, p. 1). The public television channel (The Public Broadcasting Service - PBS) was launched in November 1967 and remains central to public broadcasting in America. It was formed in response to 'concerns about the relationship between television, the market, and the quality of public life. Critics argued that commercial television's reliance on advertiser revenue and its need to attract a mass audience made it structurally incapable of serving the broader cultural, informational, and educational functions of a democratic mass communication system' (ibid.). Throughout, PBS was a public - not a state - broadcaster and steps were taken to avoid the politicalisation of the funding and structural aspects of the channel. The Corporation for Public Broadcasting (CPB) became the funding mechanism, which, as a separate body, insulated PBS - by division - from state control. Hoynes details the setting up of a triennial system of funding which was intended to provide a stable, long term environment with a reasonable amount of security from

year to year. It presently operates 'on a three-year basis, two years in advance' (ibid., p. 2).

PBS is surrounded by a myriad of commercial channels and private networks which, as part of the capitalist 'mode of production', have goals, aims and objectives most of which are obvious and overt, for example, to provide a check on the excesses of the state (as a mass communications medium), and to make money on behalf of its shareholders. Curran (1991), in arguing that private mass media has a role in the critical surveillance of government as part of its democratic function (as do also public service broadcasters), is not convinced that the privately-owned companies, quite often part of a larger global conglomerate, can perform this function in a way that makes them any more free of interference or pressure than its public counterpart. Privatisation has led to (privately owned networks becoming part of and embedded within the corporate structure of big business, and Curran suggests that 'media enterprises have sometimes refrained from criticising or investigating the activities [too closely] of giant conglomerates to which they belong') (ibid., p. 87, citing Hollingsworth, 1986; Curran & Seaton, 1991; Bagdikian, 1990).

One way past this problem is the provision of a multichannel pluralist system where, because of diversity in ownership and offerings, what one broadcaster may feel hesitant to investigate, another may seize with relish. The political ownership of the newspaper press originally functioned in just this way, but cross-media ownership, together with horizontal and vertical integration, has given the appearance of blunting such enthusiasm. In discussing what he calls a 'majoritarian' model, Blumler describes television as 'a business, more or less like any other, and a broadcasting market, shaped by consumers' viewing decisions, is analogous to a popular democracy, governed by citizen's voting decisions ... Presumed societal and cultural goods are subordinated or irrelevant in this model - at any rate they simply have to take their chances in the rough and tumble of marketplace outcomes' (1991, pp. 195-6). Logically, then, a multichannel model offers plurality of purpose and diversity of programming, but, in what Blumler forecasts as 'a chaos of competitors', competition also means more - but so often more of the same - competing for the same audience, and for the same advertising in order to produce increased profits.

Blumler's view on competition is forceful and, in a New Zealand context, prophetic:

An increasingly bottom-line orientation, with concentration on producing only that which promises the greatest profit, tends to prevail. This is even the case with American television, which

always *was* a business ... Everything in the system tends to take second place to entertainment - because there is more revenue to be earned from it, it is more readily syndicable in multiple markets, it is easier to promote, and it fits a dominant image of how people supposedly use their television sets, looking most of the time for instant gratification, relaxation, excitement and escape (ibid., p. 206).

This thesis does not intend to take a confrontational view of privately-owned commercial television against the public service model; it argues for a mixture of both, so as to obtain the best possible programmes from each. National identity and cultural diversity can be reflected as much in popular cultural artifacts - produced and viewed for pleasure - as they can be in the more rational, or studied, domain of serious discourse. It should not be an either/or scenario, nor a public vs. private debate. What should be considered is whether the television broadcasting system we have currently in place in New Zealand is sufficiently balanced to allow an ongoing inclusive and rational debate about who we are and what the future holds for our nationhood. The media can, and frequently do, provide a public sphere for open and wide debate to occur. In New Zealand can it be said to be presently adequate; should it increase or decrease; might it possibly disappear unless it is safeguarded in some way? To attempt to get closer to the answers, these questions should be seriously debated, perhaps more often via the medium of television itself than presently occurs?

Chapter Two

2.1 Cultural Discourse and National Identity

Moving on from a discussion of television itself as a means of communication, in this chapter we are concerned with the nature of the contemporary society within which it communicates. New Zealand as a country is unique, both geographically and culturally. New Zealanders can claim a national identity (and often do, rigorously), but locating, isolating and describing it at a particular point in time can prove to be controversial as well as difficult. In recent times television has become implicated as a player in such debates, sometimes being designated a causal factor in an attempt to reach a consensus of what it is to be 'a New Zealander'. Identities, particularly cultural identities, can change over time, and television is able to demonstrate both on narrative and visual levels where it is we have come from and where it is we might be going. In doing so, defining characteristics chosen become mythologised through repetition over time.

To consider whether the formation of defining national characteristics can be assisted through a medium like television, we must look at how new global technologies - and changes in world social attitudes - affect the outcome of what we actually see on state-owned television. The focus here is not that the technology encourages live transmissions of new social and cultural events and attitudes anywhere in the world, but more the inability of television to relinquish or turn away programme content made by other nations (programmes which cost vastly less than the production of similar material in New Zealand). The reality for the viewers in New Zealand of TV1 and TV2 is that much of the content of what they see is overseas programming, reflecting somewhat different and mostly inaccessible (in a physical sense) 'ways of living' when translated in terms of their own 'lived experience'. Williams (1981), in analysing how culture is socially formed, distinguishes three levels: the lived culture of a particular time and place (only fully accessible to those living in that time and place); recorded culture (historical words and images - the culture of a period); the culture of the selective tradition (ceremony, ritual and the like) (p. 49). Much of the content on New Zealand free-to-air television for its first three decades or so (1960 through to the late 1980s) contained reflections of all three of Williams' levels of culture, although greatly influenced by the colonial heritage of British descent. Television programmes from Britain in particular were seen to reproduce a cultural and social heritage brought by the early settlers to New Zealand, even if it no longer reflected their actual 'lived experience' - or their new surroundings.

Changes wrought by 'global cultural flows' via new media technology in the 1990s have brought the means, both economic and cultural, for New Zealand audiences to enjoy and partake in lives of others being simultaneously enacted at multiple sites around the globe. Overseas cultural models ('ways of living') become fully accessible to those *not* living in that time and place (to modify Williams' first level detailed above) - only the fact of being physically in New Zealand denies the viewer a complete virtual experience. These changes highlight the need for a suitable discourse to explain the nature of global cultural flows and adequately articulate a concern for the effect on peoples' lives; that is, the effect on those who live within sovereign nation-states, but who now take their view of themselves from images of those living elsewhere - others whose lives of necessity are culturally disparate and singularly different from ours.

This transference which happens ephemerally 'through space' ignores the physical separation of one place from another, and also any sense of time. Ideas, beliefs and cultures instantly move from place, through space, to place. Tomlinson (1999), in attempting to explain how this instant globalisation feels refers to 'locale' (a term used by Giddens, 1984, p. 118 to describe the physical place in which social activity occurs), and how those situated within locales experience 'relations at distance' - between people who do not experience the face-to-face presence of a locale. He explains:

To understand this better we can consider Giddens' rather striking description (1990, p. 19) of locales in modernity as increasingly 'phantasmagoric': 'that is to say, locales are thoroughly penetrated by and shaped in terms of social influences quite distant from them. What structures the locale is not simply that which is present on the scene; the 'visible form' of the locale conceals the distanced relations which determine its nature' [phantasmagoric is used here in the sense of illusive or a deceptive appearance] (Tomlinson, 1999, p. 52).

Hamelink (1993) discusses this problematic and opens with the comment that the globalisation processes of social communication are accelerating and 'confront the analyst with cultural developments and communication processes that transcend the frame of reference applied to interstate relations, intercultural communications, or national cultures' (p. 374). It is the existing frames of reference, that until now have been used to encompass or situate discourses of mass media communications theory, which now find themselves inadequately positioned to deal with conceptual ideas of a global flow of media products between (or across) countries, anarchically

appearing to produce a blend of cross-cultural globality. The imposition of one culture upon another via transportable media products has usually been seen as a one-way process, sometimes seen as 'Americanisation', but often termed cultural imperialism or media imperialism. The economic domination of Western media products (film; television) led to the term cultural imperialism emerging during the 1960's (Tomlinson, 1991, p. 2).

The economic imperative of Western capitalist democracies pushes the sale and purchase of merchandise, including cultural products valued arguably more for their financial advantages in the market place than for their inherent cultural characteristics. The cultural imperialism thesis argues a domination through imposition of one culture (the larger, more prolific, producer of product) over another (smaller, but sometimes only in terms of production), but takes little account of other factors such as the historical background, indigenous cultural identity or the sovereignty of its people. The view is that the popularity of the media product overrules, ignores or deflects these concerns if they are raised, and the discussion then can end by subordinating such concerns to one of a simple economic reality of financial advantage. Tomlinson promotes the idea of treating cultural imperialism as 'a variety of different articulations which may have certain features in common, but may also be in tension with each other, or even mutually contradictory' (ibid., p. 9). He suggests a new discourse of cultural imperialism, a revised term which allows for a multiplicity of voices which include articulations of other views within an open conceptual framework. His discourse widens debate and accepts cultural domination as one perspective, that of a historical account of colonialism (particularly relevant in New Zealand). He is able to discern four other 'voices' within a discourse of cultural imperialism, which are: media imperialism (media practices and institutions); the discourse of nationality (natural national communities of interest, local cultures); a critique of global capitalism (the political-economic); and a critique of modernity (globalisation - global culture as determinant). Tomlinson's proposal changes the ground by widening the frames of reference, and moves the debate away from a simple 'Americanisation' of the culture of others, but it is still somewhat distant from meeting all of Hamelink's concerns.

Hamelink is questioning the adequacy of conceptual terms (rather than of any framework used), which, when articulating local concerns, ie., as before, sovereignty, nationality, cultural identity, nation-state and the like, are more than sufficient for understanding what is, after all, the status quo for sovereign nations with recognised borders, but which have considerable difficulty when faced with media trends and technologies which are

outstripping - rapidly - the very terms, conventions and conceptual tools used.

Hamelink conjectures:

If, for example, current developments raise the issue of the globalisation of culture, it is questionable whether the problem of a 'global culture' can be understood with the concepts that are essential to the understanding of national culture. Can the conceptual oppositions (e.g., homogeneity versus heterogeneity) that were frames of reference for comprehending culture within the state-society serve the analysis when cultural processes are now placed onto the globe? (Hamelink, 1993, p. 374, with acknowledgment to Featherston, 1990).

It is these concerns which are not satisfactorily articulated, negated as they are so often by a discourse of political-economic globalisation, either within the cultural imperialism thesis of 'Americanisation', or, as in New Zealand, within a (political-economic) public sphere operating mainly through the media reporting of Parliamentary debate, and often via the personalities and personal preferences of parliamentarians themselves. Any debate therefore remains stifled, contained in a vacuum of enthusiastic rhetoric about globalisation, a globality argued about in a context of unchanging absolutes. The result is that these 'absolutes' are then left (un)interrogated in a 'local' cultural context where the only value acknowledged is an economic one. There maybe also a need to see cultural identities as important in themselves within such frameworks. Perhaps if it was possible to ascribe (theoretically) an economic value, i.e. an exchangeable/tradeable value (or worth), to the existence, development and promotion of aesthetic cultural identities, then debate on broadcasting would be able to include the possibility of protecting and safeguarding such cultural identities.

So, the terms global and globalisation used in connection with a national television broadcaster using a nationwide network - such as is the case with TVNZ - often refer more to the economic sourcing of programmes, rather than the cultural experience of viewing. Hamelink asks, in respect of globalism, how global is global? He answers by suggesting that although global culture suggests an unprecedented cultural homogenisation of product, the reality is that there remains 'distinct cultural entities' which are little affected by global media processes' (ibid., p. 378). His description of globalisation portrays it as a social process of transition which produces 'a condition in which transactions *affect* most citizens of world society. Globalisation refers to "becoming global": a process of social transformation' (ibid., p. 381, my italics).

In setting out the concepts and terms Hamelink wishes to use he invokes a distinction between the process of 'globalisation' and such similar terms as 'internationalisation' (transactions combining two or more nations) and 'transnationalisation' (transactions across national boundaries). From this, globalisation can be seen as an active process producing change, similar to the Althusserian view of ideology as a process which 'works' actively and produces changes in societal values, sometimes consciously provoked by activists, at other times facilitated by the (re)production of unconscious attitudes and values through a hegemonic process of naturalisation and reinforcement by society itself. However, as with ideology, within society there are tensions and pressures which act to distort and delay such processes, and these are found in the discourses of nationalism, national identity, national sovereignty, cultural imperialism and the like, whenever the enthusiastic rhetoric of globalisation is spoken.

These tensions rear up against global economic power and call for the processes to be scrutinised, on both individual and collective levels. It is at this precise point that globalisation falters, cleaves and divides, with economic imperatives gleefully accelerating away, leaving cultural and national identities outwardly unchanged but perhaps inwardly impregnated, awaiting the rebirth through a new discourse of 'globalisation and multidimensionality' - or 'connectivity' (Tomlinson, 1999, p. 17). Here Tomlinson is referring to a condition he calls 'complex connectivity', a term established to describe a globalisation thesis wider than simply economics, one that calls to mind 'the rapidly developing and ever-densening network of interconnections and inter-dependencies that characterises modern social life' (ibid., p. 2). Connectivity, then, creates a multidimensionality of globalisation not often discussed, debated, or even talked about. Tomlinson believes that by using these terms the discourse of globalisation can extend without negation into the categories 'we now, familiarly, break down human life: the economic, the political, the social, the inter-personal, the technological, the environmental, the cultural and so forth' (ibid., p. 13). This leaves the way open for cultural matters to be thought of as an (almost equal) dimension of globalisation. In Tomlinson's words:

When we slice into complex connectivity ... [from a cultural perspective] what we are concerned with is how globalisation alters the context of meaning construction: how it affects people's sense of identity, the experience of place and of the self in relation to place, how it impacts on the shared understandings, values, desires, myths, hopes and fears, that have developed around locally situated life (ibid., p. 20).

These conceptual ideas or frameworks may respond to the question raised earlier of how to develop the means to give cultural matters and identities some equality of status within an established discourse of economic globalisation - economic arguments which presently threaten to overwhelm. At this precise moment, those who might wish to oppose the single economic imperative at the geo-political level of globalisation and the state, may look to use such conceptual tools to put forward alternative, much wider, theories of globalisation which support their case. This thesis attempts to do exactly that, by widening the net to include global and local cultural values of exchange as a counter to domination by arguments of monetarism fuelled by economic determinism.

2.2 National Sovereignty

This is a concept which is central to the ability of the State to extract taxation from its citizens. It also provides a framework for its citizens in the construction of a national identity. The economic is yet again entwined with the cultural and a national broadcaster becomes subsumed and immersed in both, the economic for financial support and the cultural as a possible determinant for its *raison d'être*.

New Zealand's geographic position (as a group of islands) allows an extreme position to be taken in respect of its national sovereign borders. The advent of media transmission via satellite has not diminished the physical position of its citizens - that is, those who are physically located on the ground terrestrially within its borders, and are significantly distanced by water from their closest neighbours. Globalisation has caused a feeling of closeness with other world inhabitants, but it has not lessened the ability of the New Zealand as a sovereign nation-state to make laws, raise taxation, or provide for its citizens as it wishes.

Hamelink (1993), however, cautions that globalisation has restricted sovereignty in a purely economic sense concerning decisions in respect of monetary flow, investment and the like. Notwithstanding, he states that in Europe 'despite the far-reaching regional economic integration of the European community member states, the sovereign state is still the basic unit of European politics' (p. 385). He stipulates that economic considerations of transnational corporations are significant to nation-states, but that 'by and large ... it would seem that current globalisation processes leave the exercise of national sovereignty unhampered' (ibid., p. 386). The threat to national sovereignty therefore appears ameliorated, although Hamelink points up the possibility of subversion through the economic imperatives of transnational capital operating in its own interest against the (isolated, smaller) nation-state. The question remains - will this affect or deny a national identity

through a sense of cultural sovereignty in a nation-state overtaken itself by the economic imperative?

This question has relevance within a country such as New Zealand when seen against a background of political-economic change and structural adjustment within society. Kelsey (1997) writes of the changes within New Zealand since 1984 in her book entitled: *The New Zealand Experiment: A World Model for Structural Adjustment*. In describing how structural change in New Zealand may have led to a possible loss of national sovereignty, Kelsey quotes a definition of sovereignty as recorded in *Black's Law Dictionary*:

The supreme, absolute and uncontrollable power by which any independent state is governed: supreme political authority; the supreme will; paramount control of the constitution and frame of government and its administration; the self-sufficient source of political power, from which all specific political powers are derived; the international independence of a state, combined with the right and power of regulating its internal affairs without foreign dictation; also a political society, or state, which is sovereign and independent (in Kelsey, 1997, p. 366).

What is clear is that cultural sovereignty is not defined here - such an idea is, by its very nature, non-legalistic. Not that it could be claimed that Kelsey is not concerned over what might be described as eroding cultural values. Kelsey observes that subsequent to deregulation of TVNZ in 1989 'television became deluged with US soap operas, sitcoms and talk shows which bore little resemblance to the diversity of New Zealand life' (ibid., p. 113). What this underscores, though, is not that the threat of changes to national sovereignty necessarily lead to changes in indigenous cultural frameworks, but that loss of control of economic sovereignty can have an effect on media institutions which operate within the wider (world) sphere of economic relations, and that national broadcasters are not isolated from this process, even though they may be owned by the state. From this standpoint it is easier to understand how TVNZ, though still operated by a sovereign nation-state, no longer finds itself overly concerned with the role of providing a medium for New Zealanders to identify with 'their' national identity by seeing themselves and their lives reflected back at them by 'their' own state broadcaster. TVNZ's present focus lies, of necessity, elsewhere, within a more restricted sphere of pure economic advantage.

2.3 National Identity

As will be seen later, when detail of current and past broadcasting legislation in New Zealand is discussed, the concept of national identity (incorporating, as it must, a sense of national cultural identity), is central to a discussion on the content of programmes which are placed on the screen for local consumption. The problematic determination of what is 'a national identity', though, and how one might be recognised and talked about, blurs and distorts any serious discussion about local content on television. This is especially so in New Zealand, a country which has thought long and hard about what constitutes 'the New Zealand national identity'. Much of the writing on this question attempts to draw together both the Pakeha (in this context: colonial; European; white) and Maori (indigenous; Polynesian; black) cultures into a cultural mix, but, in doing so, it is the differences of both which enter into the discussion.

As Claudia Bell (1996) points out, in New Zealand the dominant group is Pakeha, 'they hold the nation's purse strings, and they dominate the social, political and cultural landscape' (p. 185). She sees national identity as a convenient way of enabling the most powerful groups in society to maintain power through an encouragement to assume a communal identity by belonging to a grouping called 'New Zealanders', and adds that 'over 80% of New Zealand's population is still of European origin' (ibid., p. 187). Further, New Zealand continues to be a distinct patriarchal society. Phillips (1996) traces the history of the (European) Pakeha male from the pioneer (mid 1800s) to the present day, and in doing so documents myth, stereotype and 'hidden truths' of male identity in New Zealand. Whilst primarily concerned with the historical image of men and 'maleness', his account gives insight into national traits and characteristics which together all highlight a perceived sense of national identity. However, Phillips sees changes which have altered the way many men in New Zealand regard themselves, a weakening of stereotypes which is leading to a different sense of self (ibid., pp. 262-89). This might suggest a need to reassess 'our' national identity, and for local producers to consider how this can be reflected back to contemporary society through the television screen. In looking at what it means to be Pakeha, Spoonley (1991) identifies a paradox in that, as the structure under which television in this country operates becomes further commercialised, 'there has been less New Zealand content ... [and] ... there has been a reaction to the swamping of our television screens [of American and Australian content] not unlike that seen in Canada' (p. 154). He believes many wish to see more 'things New Zealand', encompassing both Pakeha and Maori cultures.

Maori cultural identity is as distinctive as it is rich and profound. It is deeply implicated in any discourse on New Zealand identity primarily because it is so distinctively different from an identity based mainly on culture and tradition brought to the country by the early European settlers. In addition, Maori settlement being prior to that of the European colonialists, gives to Maori the claim of indigeneity, though, as Avril Bell (1996) points out, other writers have sought the right for Pakeha culture also, as 'it arises out of the experience of life in Aotearoa/New Zealand' (p. 155). This she sees as a problematic claim since it denies the specificity of the Maori within the political sense of the term 'indigeneity' - that of belonging to one of the world's first peoples [of Polynesian extraction] - a claim which denies the Pakeha equality of status (ibid., pp. 155-6). Bell concludes that 'it is not good enough to continue with the "we are just New Zealanders" identity claim with all the elisions and marginalisations that that implies ... [and finishes by saying that] ... The imagining of New Zealand to date has been dominated by a vision of community and unity based on sameness, identity and forgetting. It is not impossible to envisage an imagining of community based on concord and the remembering of difference' (ibid., p. 157).

Earlier, Awatere (1984) suggests the only 'true' national identity for New Zealand *is* Maori. She asks: 'What is there in this country that gives it its own particularly New Zealand identity?' (p. 11). She then continues: 'Very little. All the institutions and even the national shrines and memory are direct importations from Britain. The fact is that in this country white people have no real identity of their own apart from that which exists through opposition to Maori' (ibid.). In arguing for Maori sovereignty over the land as indigenous people she asks for a New Zealand identity no longer forged in opposition, but as a partnership of equality which recognises the Maori point of view (ibid., p. 32). While her stance is overtly political, it does raise questions for national identity and how such concerns often articulated by Maori can be satisfactorily answered. Here there may be a further need for a legislative requirement which calls on state-owned broadcasting to reflect and develop both cultures equally on screen, in order that both can contribute to a sense of a national identity.

Durie (1998) documents the changes in Maori identity, from its roots in tribal affiliations on to alliances in the face of colonisation, through urbanisation of the Maori to the present day, observing that:

cultural identity is conceived as an amalgam of personal attitudes, cultural knowledge, and participation in Maori society. Particular attention is focused on self-identification, knowledge of whakapapa (ancestry), participation in marae activities (customary

social and cultural centres), involvement with whanau (extended family), access to whenua tipu (ancestral land), contacts with other Maori people, and use of Maori language (pp. 57-8).

Possibly mindful of these aspects of Maori culture (but more probably mindful of the perceived legal standing in New Zealand of *The Treaty of Waitangi*), the Government during 1996/97 funded a wholly Maori free-to-air television channel, namely Aotearoa TV Network. The channel failed (for reasons outside the scope of this thesis), but what it did seem to remind us was that to be able to reflect and expand a sense of a national identity on New Zealand state-owned television it is essential for both Maori and Pakeha cultures (and possibly others) to be seen on the screen, *and for them to be produced and presented by those being represented themselves*. For, as Lee (1995) writes: 'Ultimately our sovereignty as a people in Aotearoa [New Zealand] is not dependant on treaties, or pieces of paper, or legislation or political points of view, or party policies or the like. Our sovereignty is guaranteed. This is our home, we exist and our place as Maori - whose language and culture has evolved on these islands - is absolute' (p. 130). Lee's claim for a dual-sovereignty of this country (for thus it would have to be if there was not to be civil unrest) impinges once more on our collective view of ourselves.

The need, therefore, to conceptualise what is meant by 'a New Zealand national identity' becomes more desirable as the difficulty in doing so increases. However, to do so at length is not possible within the length of this thesis. What is needed here is a sense of historical context so that we know when we see local content on our free-to-air television it is, in some way, related to ourselves and our lives. In writing of a sense of British identity, Cohen (1994) follows the path of British migrants to 'the colonies of settlement' and the creation of the Dominions. He observes that 'in all the dominions, a "British" identity became hegemonic. English and Welsh law, the English language, the Anglican church, English sporting traditions, and Westminster-style political institutions either became paramount or were accorded a high status' (p. 16).

Although Cohen does not argue for a distinct 'one-style-fits-all' national character for the British, he does see 'Britishness' in terms of constitutive identities which can, as strands, form some semblance of national identity (*ibid.*, pp. 192-206). This impacts on the New Zealand national identity when seen in the diasporic context of the British abroad: 'like other diasporic communities, exaggerated mannerisms and demonstrations of patriotism often made the English abroad more English than the English at home' (*ibid.*, p. 20). In New Zealand this has changed considerably over the

last three decades, through political, social and migratory movements, *and* through globalisation of media products via new technologies. Now we have a view of ourselves no longer confined to diasporic sentiments from Britain, but a multi-cultural, multi-nationality heterogeneous community which needs to encompass a wide range of opinions, beliefs and expressions of self-identity.

Including the need to reflect 'a national identity' within governing legislation for free-to-air state-owned television now only serves to polarise opinion as to what it actually means for viewers. Many believe they would recognise it when they see it, but may well observe that they infrequently do. There is a perception (possibly no stronger) that the screening of local product (locally-made programmes) is synonymous with reflecting and developing New Zealand's identity and culture on screen. Ascribing a literal view, that may be so (and statistically it may be that a certain percentage of what we see *is* local product), but this does not necessarily mean that it is intrinsically 'ours', culturally. There is a fracturing in our national identity caused, over time, by events which often seem unconnected, but which combine slowly to move the nation's consciousness towards a 'modern' version of what it is to be 'a New Zealander'. Cohen identifies it as a process of fragmentation within the construction of social identities (*ibid.*, p. 204); combinations of fragments which over time make up territorial identities; combinations of ideas and images fused together to bring about the idea of a physical geographical state of existence, in fact, a New Zealander 'in New Zealand'.

Here it is necessary to consider critically the effect brought about by global flows of mediated images, and how they relate to culture and identity. In an attempt to separate out the terms 'national identity' and 'cultural identity' rather than allowing the terms to be used synonymously, it is helpful to conceptualise them both in terms of a 'failed' binary opposition which inflects neither with specific positive versus negative qualities. That is, one is not what the other is, nor is it what the other is not.

Kahn (1995) writes of the possibility of a world system of culture through the process of globalisation, but feels that early expectations of an increasing homogeneous world (of culture) have proved groundless. He prefers to see world cultural problems as heterogeneous and mobile, flowing to and fro across the world in 'an increasingly differentiated global landscape of culture' (p. 126). He acknowledges the earlier study of Appadurai (1993) in seeking out 'disjuncture and difference' in the global cultural economy (pp. 269-295). Some interesting questions raised by Appadurai will be discussed later, but it is the aspect of 'difference' in cultural discourse which is important here. Cultural forms are often talked of in terms of difference, and

how diversity abounds and heterogeneity flourishes, but never so much within the form itself than throughout the discourse which surrounds it. Tomlinson (1999) questions this as being a mythological discourse springing from *universalism* (p. 68-9), and suggests that: 'The business of culture is not primarily the establishment of difference; rather it is the *constitution of meaning* which speaks to the existential condition of human beings' (ibid., p. 68, emphasis in the original). Tomlinson doesn't deny that culture is frequently *talked of* in terms of difference, but says, that for the most part, the connection 'is simply in the work of history: ... [arising] simply as its consequence. Cultural work may produce difference but this is not the same as saying that culture is founded in difference' (ibid.).

Moreover, discourses of national identity are often pursued in terms of 'sameness', that is, in terms of whatever it is which holds a community, a nation-state, together, as a whole. In his seminal writings on *Imagined Communities*, Anderson (1983) put forward the idea that 'nation-ness is the most universally legitimate value in the political life of our time' (p. 12), and he suggests that 'nation' can be defined as: 'an imagined political community - and imagined as both inherently limited and sovereign' (ibid., p. 15). Anderson reasons thus:

It is *imagined* because the members of even the smallest nation will never know most of their fellow-members, meet them, or even hear of them, yet in the minds of each lives the image of their communion ... is imagined as *limited* because even the largest of them, encompassing perhaps a billion living human beings, has finite, if elastic, boundaries, beyond which lie other nations ... is imagined as *sovereign* because the concept was born in an age in which Enlightenment and Revolution were destroying the legitimacy of the divinely-ordained, hierarchical dynastic realm ... is imagined as a *community*, because, regardless of the actual inequality and exploitation that may prevail in each, the nation is always conceived as a deep, horizontal comradeship (ibid., pp. 15-16).

Global flows in media products, entwined as they are with the larger global economy, have increased exponentially since Anderson wrote so succinctly of imagined communities of interest, and with them cultural difference and diversity has multiplied. But, and here lies the paradox, national identity, because it relies on a sense of stability for its establishment and continuation, stands steadfast in the face of such excesses, drawing unto itself and creating its own identification. National identity reaches out and pulls in from the flows such cultural products, images and symbols as

become appropriate to appropriate for itself. For, if the imagination is to form bonds of identity, there has to be more that is held in common than that which is seen as different, divisive or disruptive.

So, for a New Zealand national identity to be reflected back on television, it has to take up disjuncture and difference and somehow enmesh them into an imagined common feeling of ownership and belonging. When this is not achieved we must question the feeling of hyperabstraction that some in New Zealand experience whilst watching 'their' national television. The question to be asked, perhaps, is: do viewers identify at all with the types of images placed on television for their consumption; if not, are they somehow able to find better ways of identifying 'who they are', except by seeing 'who they are not'?

2.4 Global Plus Local: 'Glocalised' Identities

Earlier in this chapter, reference was made to the existence of tension between the global economic pressures and local cultural and national identities which struggle to remain intact. Such tension can be caused by ideological splits between the political 'left' and 'right' (often articulated by the binary 'past' and 'future'), but this thesis argues more for tension as a consequence of '*a deterritorialisation of social identity* challenging the hegemonising nation-states' claim to make an exclusive citizenship a defining focus of allegiance and fidelity in favour of overlapping, permeable and multiple forms of identification' (Cohen, 1997, p. 157, author's italics). Here Cohen is not discussing the global/local in terms of economic advantage, but from the standpoint of international migration and diasporic identities. The thrust of his study is social in nature rather than encompassing the political economy, and it provides a new conceptual framework which, when coupled with Appadurai's mediascapes, goes some way towards fulfilling Hamelink's request for a fresh frame of reference for the new discourse encompassing global media flows of images and products.

Cohen borrows from Perlmutter (1991) when depicting the world as:

being organised vertically by nation-states and regions, but horizontally by an overlapping, permeable, multiple system of interaction - communities not of place but of interest, shared opinions and beliefs, tastes, ethnicities and religions ... cuisines, the consumption of medicines ... lifestyles, fashion and music ... [and adds] ... what nineteenth-century nationalists wanted was a "space" for each "race", a territorialising of each social identity. What they have got instead is a chain of cosmopolitan cities and an increasing proliferation of subnational and transnational identities

than (sic) cannot be easily be contained in the nation-state system (Cohen, 1997, p. 174).

It is at this precise point of a vertical/horizontal intersection that lies both the imagination of imagined national communities and the mass communication medium of television. The economics of television cause it to have to work within the global economy, whereas (and here the tension erupts) the local nation-state looks to it to articulate a social imagination independent of a global thesis, without fear of any political, or politico-economic, interference. The struggle, therefore, is between a perceived imminent global swamping of cultural difference (marked by a rapid change in our understanding of what constitutes 'our' national identity), and a strongly held, but imagined, sense of local community. Featherstone (1996) argues for a locality as small as a village or as large as a nation where its citizens share a geographically bounded 'symbolic place' (p. 53). The imaginary symbolic place 'becomes represented through a set of more or less coherent images and [nostalgic] memories which deal with the crucial questions of the origins, difference, and distinctiveness of a people' (ibid., p. 54). Nostalgia, arguably, plays an important part in defining local identity, in facilitating the hegemonic process, and in countering or diminishing the threat of deterritorialisation posed by globalisation. It may be, therefore, no accident that television regularly implicates itself in the articulation of global/local issues in the form of nostalgic references, that is, global in the sense of a series of global events or incidents known to us all, and local in the sense of our shared experiences and cultural history. Tied into these references as a thread throughout is the discourse of nationalism, an intense feeling of who we are, and perhaps, more particularly, of who we are not (the Other).

Notwithstanding that our acknowledged sense of national identity is commonly displayed in a form of nationalistic fervour for 'all things New Zealand', the global economic imperative slips inside our consciousness in subtle ways. It infiltrates the local by assimilation and acceptance. Global products, references and media images become New Zealand products, references and media images. Many of the overseas programmes shown on New Zealand television are twenty, thirty or forty years old and, when repeated, are seen by separate and ongoing generations of viewers as 'ours'. Featherston partially acknowledges this when he states that:

the scenario of "cultural dumping" of obsolete American television programmes on a powerless nation-state on the periphery is only one possibility from a range of responses ... In many cases it may be that various forms of hybridisation and

creolisation emerge in which the meanings of externally originating goods, information, and images are reworked, syncretised, and blended with existing cultural traditions and forms of life (ibid., p. 63).

If indeed television programmes from elsewhere become indigenised through internal processes, such as nostalgia or fetishisation or the like, then the global and the local cannot be tidily separated into different sectors or spheres of understanding. Featherston refers to the idea of the global being 'a complex, overlapping disjunctive order' (Appadurai, 1990, p. 296) and suggests that 'individual nation-states may attempt to promote, channel, or block particular flows with varying degrees of success depending upon the power resources they possess and the constraints of the particular configuration of interdependancies they are locked into' (Featherston, 1996, p. 64). If global flows are naturalised upon reception, incorporated into a sense of identity, why is it, though, that some (viewers of television) experience their own feeling of alienation when they tune in? Could it be simply the 'shock of the new', the unusual, or the visual strangeness of what they see? Toffler in his influential book *Future Shock* (1970) prophesied that future society will experience a 'massive injection of speed and novelty into the fabric of society [which] will force us not merely to cope more rapidly with familiar situations, events and moral dilemmas, but to cope at a progressively faster rate with situations that are, for us, decidedly unfamiliar, "first-time" situations, strange, irregular, unpredictable' (pp. 200-1).

Technological innovation in media communications and television production has led to new forms, new genres of programmes, which, although simply adaptations in some cases, nevertheless have brought with them a blurring of what may be described as a questioning of the 'truth' of reality. Although all these forms are in one way or another social constructions of reality (in that they may be thought of as particular *versions* of reality), some purport to be more real than 'the image-centred, narrative-based accounts of strips of reality' that Appadurai (1990) conceptualised as 'mediascapes'; so real, in fact, that 'the lines between the realistic and fictional landscapes ... are blurred' (p. 299), causing audiences to not only enjoy them vicariously but also to construct imaginary worlds which they *actively* inhabit on a local basis. Viewers see these images as part of 'their' world, placing themselves in a localised global space.

Featherston (1995), in reaching for the blend 'glocalisation', talks of a merging of the global and local dynamics with the result that he avoids polarising the terms in opposition to each other. He points to numerous recent accounts where 'globalising trends are regarded as in tension with

“local” assertions of identity and culture ... the global *versus* the local’ (p. 33, author’s italics). He adds ‘The global is not in and of itself counterposed to the local. Rather, what is often referred to as the local is essentially *included* within the global’ (ibid., p. 35, my italics).

Glocalisation, therefore, describes the compression of the globe by including locales of identity *within* it. Just as media flows are seen as temporal (and sometimes immediate, as in ‘live’ sporting or cultural telecasts), glocalisation describes the existence of an abstract spatial relationship which has implications for the New Zealand television viewer who may be situated physically in a local, but imagined, community of interest and identity, but who is also located unknowingly, for that period of time, within an unimagined global space outside any recognisable geographic boundaries.)

2.5 Spaces of Identity

As the concepts of ‘globalisation’ and ‘glocalisation’ apply very much to the economic imperative, that is, the way we currently do business globally by moving on from the idea of a ‘simple’ exchange of inter(-)national trade, there has been much published from the neo-right under their trademark advocating ‘market forces’. The mass communication industries (telecommunications, radio, television, the Internet, and the like) are all involved in such work, and, as some would have it, are also simultaneously suborned and implicated in *assisting* the economic aims and objectives of the global players, multinational corporations and others involved in transacting business across regional or national boundaries. Morley and Robins (1995) write of the place of the media industries in the changing economic ‘map’, acknowledging that global media exist in new electronic boundaries which are reshaped and reassembled outside normal geographic boundaries of national interest. Their conceptual grasp of globalisation involves spaces of identity which they name as ‘image spaces’, using then to rechart geographic spaces into economic spaces and cultural spaces.

It is apposite to recall again Appadurai and how he uses the suffix *-scape* as a conceptual tool, and how it allows him to successfully separate out the economic flows (financescapes) from the socio-human flows (ethnoscapes) and cultural image flows (mediascapes) (1996, p. 33). Morley and Robins, in contrast, record that their image spaces are filled (perhaps to overflowing) by economic globalisation through ‘a certain displacement of national frameworks in favour of perspectives and agendas appropriate to both supra-national and sub-national dynamics ... [with] ...new questions ... being thrown up about the interrelation of economic and market spaces on the one hand, and arenas of cultural consumption and collective identity on the other’ (1995, p. 34). This is echoed firmly in New Zealand, where, to quote

Morley and Robins again, 'the context for this is the increased pressure on cities and localities to adopt an entrepreneurial stance in order to attract mobile global capital' (ibid., p. 37).

The question to be answered here is how do we separate out the various financescapes and mediascapes discursively if they occupy the same image spaces? Before the question can be properly considered we need to find for ourselves 'a place of critical distance' (ibid., p. 39) from where we can discern the different spatial identities, separating the driving force of technological change from the nature of cultural identities. A glimpse of how this might be achieved is provided by Morley and Robins in a direct quotation from Kearney:

On the far side of the reflecting glass, beyond the play of masks and mirrors, there are human beings who suffer and struggle, live and die, hope and despair. Even in those televisual images which transmit events from the furthest corners of our globe, we are being addressed, potentially at least, by living others Are not those of us who witness such images ... obliged to respond not just to surface reflections on a screen but to the call of human beings they communicate? (1988, pp. 387-8).

These televisual imaginings form the basis of spatial identities in the context of re-imagined communities where national identity becomes inclusive of difference. These are cultural matters which need to 'escape' from the confine of the financescape of economic domination and assume their own place and space. Morley and Robins ask 'how do we reconcile our cognitive existence in hyperspace, in the virtual space of electronic networks with our bodily existence in localised space?' (1996, p. 38). The solution may lie in the re-working of spaces for identity which include the global-local nexus:

Globalisation is profoundly transforming our apprehension of the world: it is provoking a new experience of orientation and disorientation, new senses of placed and placeless identity. The global-local nexus is associated with new relations between space and place, fixity and mobility, centre and periphery, 'real' and 'virtual' space, 'inside' and 'outside', frontier and territory (ibid., p. 121).

Perhaps 'image spaces' need to be made available on local television to provide a place where the economic is separated out from the cultural for long enough for the viewer to grasp and reflect on the very idea of identity. This would seem impossible to those that preach - and those that are powerless not to endure - market forces in 'a world where electronic media are transforming the relationships between information and mediation, and

where nation-states are struggling to retain control over the population in the face of a host of subnational and transnational movements and organisations' (Appadurai, 1996, p. 189).

What is needed here is political will, accompanied by action. This is one area where the market place will not deliver. There needs to be a requisitioning of public space on television to allow the articulation of different ideas, differing views and alternative standpoints. There needs to be a revitalising of the public sphere. Disparate opinions, thoughts, and impressions, need to be uttered, argued for, and talked about fearlessly within disjunctive and conjunctive spaces. These discussions need to include us all, especially those of us who occupy disparate, diverse or multiple cultures; to include every one of us who continue to live out our own 'lived experiences' here, in New Zealand. If this is to be achieved, a far greater recognition of ourselves as a people would be able to be mirrored back to us through the images we see on television. Above all else, it would assist us in our search for identity and perhaps create a coherent and better understanding of who we are and, almost as important for our identity, who we are not.

Chapter Three

3.1 The Historical Context

Having traversed in the previous two chapters the role that television plays as a communications medium within national contexts, this chapter sets out the historical progress of state-owned free-to-air television in New Zealand from its inception to the present day. Initially following the path of others, the emphasis moved on to experimentation in programme content to settle upon a uniquely 'New Zealand' flavour which generally found favour with viewers. In later years, overseas formats started to dominate, and increased commercialism intruded to make ratings far more influential with programme schedulers. Competition in the form of other channels was introduced to allow more choice, but, in terms of prime time television, much of the greater airtime was filled with cheaper overseas programmes, and feature films. Greater viewer choice has led to duplication rather than diversity of programmes.

The first formal scheduled television programme selected for broadcast in New Zealand in 1960 was an episode from an imported drama series, namely *The Adventures of Robin Hood*. It seems somewhat ironic, perhaps prophetic, given the subsequent lengthy and continuing debate over the defining style of New Zealand's cultural identity. The first broadcasting channel, known as 'Channel Two - Auckland', went to air on the evening of Wednesday 1 June 1960, sandwiching a live to air interview between a number of British and American imported programmes (Boyd-Bell, 1985, pp. 74-5). Nine months later, on 4 April 1961, the Auckland channel turned commercial, showing seventy-two commercials in a four hour period (*ibid.* p. 82). Regionalism was introduced progressively, with broadcasts reaching Dunedin mid-1962, and, by early 1963, one-eighth of the population were able to tune in (*ibid.* p. 87). Operating at this time as a state-owned and funded enterprise (as NZBS, later NZBC), government funds were being poured in for the purpose of expanding the service by means of a seven-year development programme (*ibid.*).

By the early 1970s New Zealand's television service had developed into an all-round broadcaster offering all programme genres, either through locally-produced material or product purchased from overseas outlets, mainly in UK, USA, or Australia. Network links to the larger cities provided opportunities for regional breakouts, and colour was introduced late in 1973 (*ibid.* p. 131). The second channel - known as South Pacific Television, yet, despite its name, also in government ownership - went to air for test

transmissions five days before its official launch at 1pm on Saturday 5 July 1975 (Smith, 1996, p. 7).

While considering the way television in New Zealand has developed, it is interesting to note that each of the last four decades has seen the introduction of a further free-to-air television channel in New Zealand. The third channel, TV3, this time provided by private commercial interests, commenced operations on Sunday 26 November 1989 at 8pm with a two-hour promotion of highlights from forthcoming schedules. The overseas owners of TV3 have since recently expanded with a fourth free-to-air channel, TV4, which went to air at 1pm Sunday 29 June 1997 with a live transmission of an international boxing match. The question arises: why has progress been so slow in New Zealand compared to rapid channel saturation overseas?

New Zealand broadcasting, particularly television, has been continually buffeted by winds of change, the two most influential and relentless forces being the arrival and utilisation of new technology, and the constant structural alteration through the passing, or threat of passing, controlling government legislation. Both of these factors result from what can be loosely termed 'the public interest', and often coincide with rising public disquiet as to the nature and quality of output (programmes and advertising) from the various free-to air channels. The result has been eleven restructurings in 25 years (Cocker, 1996, p. 180). The last of these, and certainly one of the most far-reaching, had its genesis in what Hope (1996) terms the New Zealand neo-liberal revolution of 1984 which affected the state's role in the political economy and culminated in the deregulation of many state-owned assets. Hope explains:

From 1984 to 1987 the Fourth Labour Government cut tariffs, deregulated the finance sector and floated the New Zealand dollar. Consequently, banking, finance and finance related investment expanded while industrial activity declined. These changes in economic structure subsequently transformed the role of the state ... After Labour's re-election in 1987 the neo-liberal economic agenda was constitutionally cemented by the Reserve Bank Act ... Concentrations in the ownership of particular mass media institutions ... became a transnational configuration which stretched into the telecommunications domain. Three pivotal events accelerated this process: the deregulation of broadcasting (1989); the entry of private television, TV3, and pay television (1989); and the sale of Telecom (1990). (1996, pp. 21-3).

3.2 The Legislative Effect on Programme Content

The deregulation of broadcasting in New Zealand (1986-1989) became a rapid structural reorganisation which led to a change of focus for the state-owned BCNZ/TVNZ. The government had moved swiftly and, following the passing of the State Enterprise Act (1986), it then introduced the restructuring legislation under the Broadcasting Amendment Act (No 2) which came into effect on 1 December 1988, allowing the new Broadcasting Bill to go forward the following year (Cocker, 1996, p. 188). Smith (1996) records that on 18 April 1988 the Cabinet (Cabinet Paper: CM 88/14/13) agreed that broadcasting deregulation should introduce greater competition, but that certain public service objectives should be retained, *inter alia*, the following:

- to maintain and develop broadcasting as a system of human communications to serve the people of New Zealand;
- to reflect and develop the New Zealand identity and culture by obtaining, commissioning, and broadcasting a range of programmes to inform, educate and entertain;
- ✓ • to ensure that the people of New Zealand have access to two publicly owned television channels and a range of radio services;
- to ensure that the people of New Zealand have access to television and radio broadcasting services offering a range of programmes which will cater in a balanced way for the varied interests of different sections of the community; ... (p. 37).

This, then, was a decisive moment in the history of New Zealand broadcasting which set in place a structure which governs how the free-to-air broadcasters operate today. Cocker picks up on this when he points out that the changes in operational and regulatory structures were to lead to changes in programming, and quotes Noam: 'Fundamentally a medium's output is defined by its structure; changing the structure leads to change in the outputs' (1996, p. 240).

These changes which occur in programming as a direct result of restructuring or de-regulation are crucial when considering the concept of what constitutes New Zealand's national and cultural identity. Deregulation caused a splintering of focus by those employed by the state-owned Broadcasting Corporation of New Zealand (BCNZ), which, till then, had specific and unalterable aims written into legislation under the Broadcasting Act 1976, aims which were reasonably specific and detailed as shown by the extracts below:

Part I Section 3 (1)

- (a) To maintain and develop broadcasting, as a system of human communication, to serve the people of New Zealand:
- (b) To obtain, produce, commission, and broadcast a range of programmes which will inform, educate, and entertain:
- (c) To ensure that programmes reflect and develop New Zealand's identity and culture; and that programmes are produced and presented with due regard to the need for good taste; balance, accuracy, and impartiality, and the privacy of individuals:
- (d) To provide for public broadcasting to be controlled by a corporation which, subject to this Act, ---
 - (i) Acts as a trustee of the national interest; and
 - (ii) Operates its Services with the maximum independence:
- (e) To provide for the authorisation, control, and operation of private broadcasters:
- (f) To provide for the ultimate accountability of the broadcasting system to Parliament through the Minister.

Part III Section 22

The programme functions and powers of the Corporation shall be ---

- (a) To ensure that each Service operates as a public service to provide and produce programmes which inform, educate, and entertain: (Amendment Act 1979)
- (b) To establish a system for the gathering of news for television, such news available for the Services:
- (c) To negotiate for and purchase or otherwise acquire programmes, and rights or privileges in respect of sports fixtures and other events, occasions, meetings, functions, or incidents of public interest for broadcast by the Services, and to establish procedures for the allocation of such programmes, rights or privileges to the Services:
- (d) To establish and maintain a library or libraries of such radio, television, and other materials as the Corporation thinks necessary:
- (e) To provide such other services as may be authorised under his Act:
- (f) From time to time conduct or commission programme, audience research, market, or technical surveys, which may be released to such persons and in such manner and on such terms and conditions as the Corporation thinks fit.

The State Enterprises Act 1986 which restructured the BCNZ gave new aims and objectives to TVNZ - the new state-owned broadcaster responsible for both TV1 and TV2 - and the operating principles were replaced and redefined as:

Part I Section 4 (i)

The principal objective of every State enterprise shall be to operate as a successful business and, to this end, to be ---

- (a) As profitable and efficient as comparable businesses that are not owned by the Crown; and
- (b) A good employer; and
- (c) An organisation that exhibits a sense of social responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

The Broadcasting Act 1989 set up the Broadcasting Commission (quickly rebranded as New Zealand On Air), with all aspects of New Zealand culture and identity, formerly the responsibility of BCNZ, transferred to the Commission to consider and implement. These were enshrined in legislation as follows:

Part IV Section 36

The functions of the Commission are ---

- (a) To reflect and develop New Zealand identity and culture by -
 - (i) Promoting programmes about New Zealand and New Zealand interests; and
 - (ii) Promoting Maori language and Maori culture; and
- (b) To maintain and, where the Commission considers that it is appropriate, extend the coverage of television and sound radio broadcasting to New Zealand communities that would otherwise not receive a commercially viable signal; and
- (c) To ensure that a range of broadcasts is available to provide for the interests of ---
 - (i) Women; and
 - (ii) Children; and
 - (iii) Persons with disabilities; and
 - (iv) Minorities in the community including ethnic minorities; and
- (d) To encourage the establishment and operation of archives of programmes that are likely to be of historical interest in New Zealand --

by making funds available, on such terms and conditions as the Commission thinks fit, for ---

- (e) Broadcasting; and
- (f) The production of programmes to be broadcast; and
- (g) The archiving of programmes.

Other matters covered in Section 37: to consult with specific groups; to promote by its funding a sustained commitment to programming reflecting New Zealand identity and culture; to ensure reasonable provision is made for drama and documentaries; and Section 39: to take note of the potential size of the audience likely to benefit; to consider the likelihood that the proposals to be funded would be broadcast (ie. that the channels would schedule reasonably such programmes if made); and Section 44: to take note of, and have regard to, Government policy.

In transferring, in the main, the socio-cultural aims of free-to-air broadcasting away from TVNZ, and placing them with the funder (that is, the licence fee gatherer NZOA), a basic shift occurred causing a fundamental change in policy directives for TVNZ. Firstly, the state-owned broadcaster was freed of - unshackled from - the need to educate or inform with its programme content, nor was it required by legislation to reflect and develop a national/New Zealand cultural identity, *except* where it was felt that it could be both profitable and socially responsible to do so. Smith (1996) puts it another way: 'Local content and public service television were provided by TVNZ, but its statutory goal of returning a profit to the government narrowed the focus of the network' (p. 118).

Secondly NZOA found it had much less control than it might have expected in respect of programming decisions as to where and when 'its' programmes might go to air. These were, after all, programmes partially or mostly funded by the licence fee - a mandatory tax on members of the public who owned or rented a television receiver. The legislative changes had clearly heightened the commercial focus of TVNZ, and its Board had to respond to the new position it now faced. As Cocker commented earlier, the legislation *caused* programming changes; to put it another way, it is the structure under which a broadcaster operates which defines the content of the programmes we see (and at what time, or how often, we see them). As a corollary, it is the same organisational structure which defines the type and variety of programmes *we do not see* - presently, these are programmes not shown for economic reasons: reasons involving the perception that the audience in prime time may be too small to attract sufficient advertising revenue. Finally, it is the structure which defines how we see the programmes, that is, whether they are shown 'live', edited or pre-recorded; and whether they are placed in a space of their own, uninterrupted, or surrounded by saturation advertising and/or spliced into micro-segments by frequent and lengthy advertising break-outs.

3.3 TVNZ: The Last Ten Years

Following the major restructuring of 1989, TVNZ underwent a process of continuous re-focusing, as evidenced by subtle changes in its mission statement:

Our mission is to operate a commercially successful electronic telecommunications business, acting with social responsibility, to provide quality television communications and related services through the achievement of commercial success, and serve the people of New Zealand by presenting programmes which reflect

and foster New Zealand's identity and culture (1990). (Smith, 1996, p. 41).

By 1996, it had changed to:

TVNZ's objective is to operate a commercially successful television business acting with social responsibility in the provision of quality services, in particular the provision of television programmes which reflect and foster New Zealand's identity and culture, both in New Zealand and internationally, and which are in the overall national interest (1996). (TVNZ 1996 Annual Report).

TVNZ's first years as a state-owned enterprise (SOE) saw it adopt an aggressive stance to competition, becoming entrenched in a 'ratings war' with the privately-owned TV3. Smith (1996) documents the 'conflict' in great detail (pp. 55-81), and records that TVNZ was well-prepared: 'When the network [TVNZ] presented its Annual Report in 1990 ... it recorded a total of \$64 Million spent on programmes which had not been transmitted. In the previous year the figure was \$48 Million' (ibid., p. 63). This buy-up had two effects - it essentially deprived its competitor of access to programming it might have otherwise seriously wished to purchase, and it gave TVNZ a much greater variety of material with which to combat TV3's programme schedules. In many ways, this set the scene for some time to come, as TVNZ 'submerged' itself in a competitive commercially-driven ethos from which there appeared little escape or obvious alternative. The ongoing requirement for yet more and more advertising and sponsorship revenue (made necessary by the continuing rise in cost of both overseas programming and local production, and by the rapid escalation in costs for the rights to media-based sporting events) forced TVNZ increasingly along this path. The Reithian 'public service' concept with which the NZBC/BCNZ had commenced its life had been left behind, and, to a large degree, discredited. The TVNZ Boards of the 1990s reacted decisively to the new environment they faced:

[Chief Executive Julian] Mounter and his management had earlier assessed that the network was overstaffed, and began whittling down staff numbers. Hundreds lost their jobs, and entire departments, such [as] drama and documentaries, were shut down ... It was a case of adaptation to a radically changed environment. The licence fee, which once came to broadcasting in bulk, was now administered by a separate body, New Zealand on Air, which was to fund the production of some documentaries and drama ...

Full-time staff levels fell from 2000 to about 1200 by Christmas 1990 (*ibid.*, pp. 60-1).

During the first three or four years of the decade the new structures, and the different method used to distribute public funding from the licence fee, started to bed down, but not without stresses and strains between the parties involved in the process.

Never before in New Zealand had part of the Broadcasting Fee (which is, after all, a public tax) found its way into the coffers of a private, overseas-owned, broadcaster (TV3). Curiously, the route was as indirect as maybe was the intention - TV3 was originally controlled by legislation placing severe restrictions on the level of foreign ownership - but once the change had been made to use NZOA to fund programmes by way of subsidies paid to producers of programmes, the practice became to treat all three (later four) free-to-air channels in like-minded fashion. As it was the programme itself which attracted a subsidy, whichever channel put the programme to air received the subsidy. Seeing a growing proportion of the licence fee going elsewhere caused the state-owned TVNZ much concern. As Smith points out: 'For the first time in its history, the state broadcaster had no control over how the licence fee was to be spent' (*ibid.*, p. 111), and neither was TVNZ keen to see a substantial part of the subsidy used to produce what it saw as mainstream mass popular programming, even when it had a distinctly New Zealand flavour.)

TVNZ's subsequent dealings with NZOA during the past few years have been made easier and less abrasive by a conscious move by TVNZ to produce less in-house programming, to sell off 'non-core' assets which, in some cases, were used for producing programmes, and to seek to acquire a higher proportion of its aired programming from independent production companies (to whom the NZOA subsidy, if available, was paid). Their rationale, as contained in the TVNZ 1997 Annual Report confirms this thinking: 'As the New Zealand film and television has grown, the need for TVNZ to be the primary producer is no longer necessary or appropriate. 1997 was a milestone year for TVNZ as we finally handed over the mantle, as it were, to the independent production community' (p. 6). This move was not without its problems for NZOA since it began to have concern that, on occasions, subsidised programmes were scheduled by rival broadcasters to appear on air simultaneously, reducing the likely target audience for both, and thus minimising the effectiveness of the subsidy (as they saw it). This led to an unsatisfactory outcome for the viewer, and NZOA, causing embarrassment all round:

(The problem is that New Zealand On Air has no control over scheduling - that's up to the programmers working in an intensely commercial environment. This is where the system gets grubby, because while New Zealand On Air may *want* to fund a diversity of programmes, it must ultimately square with the requirements of commercial networks)(White, 1997, p. 21, author's emphasis).

Though these stresses could be seen as merely a need for new working relationships to settle down, the underlying problem can be seen as a struggle between commercialism and culture, or in a much more apposite phrase: the commercialisation of culture. These difficulties were foreseen, and Easton (1997) exposes them in his reporting of some of the dialogue between Public Service Association representative, Tony Simpson, and the Treasury at the 1985 Royal Commission on Broadcasting (see pp. 54 -70). Easton identifies the Treasury approach of supply/demand economics within the policy debate which took place at the end of 1985, and then focuses on the cross-examination of Treasury evidence placed before the commission. The tension between the two sides becomes obvious, but what is interesting here, is the seeming incompatibility of packaging and selling culture as a 'product' for profit and consumption, rather than as an 'experience' to be experienced. The treasury official under cross-examination agrees to one possible definition of national culture, but questions 'whether that definition in fact means an increase in local programming equates with an increase in fostering a national culture equates with an increase in social benefit' (ibid., p. 56). This exchange, apart from giving a fair encapsulation of some of Simpson's real concerns, reveals another important matter, that of the question of outright synonymy between local programming and an indefinable national cultural identity (considered earlier in this thesis).

The official was closer to the crux of a different argument than the one being addressed. Simpson continued:

Simpson: Are you saying that the higher the quality [of product] the higher the audience?

Treasury: I'm saying that that's a measure of the quality of the programme.

Simpson: Are you saying that if more people watch it, it is a good quality programme?

Treasury: In the commercial system, yes.

(later:)

Simpson: Would it surprise you if I told you the Miss New Zealand Show is the most popular, the most watched, New Zealand programme on television?

Treasury: No. It wouldn't.

Simpson: One presumes that by your definition of quality broadcasting you would like to see the Broadcasting Corporation or broadcasters in general doing more of that sort of thing, and that is the Treasury view.

Treasury: The Treasury's view is that in respect of its commercial role the Broadcasting Corporation should make those decisions *on the basis of audience size*. (Easton, 1997, p. 57, my emphasis).

Encounters like these, amusing though they may be, often cloud the main issues simply by concentrating energy on the dichotomy of high culture (classic art forms) versus low - or popular - cultural forms. Often entrenched views become further reinforced and perceived 'logical' conclusions are rearticulated. When the commercial profit requirements are somehow softened, audience size becomes less critical, and diversity of content becomes more possible, and inherently, more probable. More than ten years on we find the Treasury official's perception was essentially correct in how the commercialism of culture *works*. Simpson's incredulity at what he saw as a faulty premise underscores why some viewers feel frustrated at the experience of watching recognisable cultural values somehow devalued or lost - without being able to define exactly why they feel so.

Easton looks for a way of separating out culture from commercialism by attempting to gauge the relative values for the viewer of one programme over another. He refers to the possible supposition that 'most of the audience did not care very much about the [Miss New Zealand] show, but tended to watch it because there was a tiny margin of benefits over the cost of watching the alternative programme ... [and/or] ... there was a group of non-watchers who intensely disliked the show. Under such circumstances it is quite possible that the show would be a net social cost, rather than a benefit' (ibid., p. 59). In economic terms a net social cost to whom, though? Certainly not the advertiser, so it must be the viewer who is short-changed, but how can this be - when the programme is so popular? This is a circular argument which arises whenever television programmes are analysed only by numerical data relating to numbers (supposedly) watching, without coding alongside some form of ethnographic response as to the reason for watching and enjoyment gained, or not gained, by viewers.

Here Easton is attempting to rebut the Treasury view that audience numbers can in any way be seen as a meaningful gauge of the social (public) good/worth of a programme. He concludes "commercialism is presented [by Treasury] as a value-free objective despite being loaded with values. These values are unavoidable; not including a valuation of culture in one's objective is a valuation of culture as zero' (ibid.). This, then, brings out in to the open the way that *the appreciation of cultural values displayed on television is aesthetic rather than economic, but that, for some, there is difficulty in seeing culture and cultural displays of identity, in any other way other than as a product which attracts an audience for the commercial purposes of revenue through advertising.*

The move by TVNZ to divest itself of its prime role as programme-maker to being mostly a broadcaster (via networks) of programmes, has enabled it to concern itself less with such debates, and concentrate on producing revenue so as to be '*as profitable and efficient as comparable businesses that are not owned by the Crown ...*' (The State Enterprises Act 1986). This re-definition of TVNZ's role can be seen alongside the trenchant debate, underway now for some years, as to whether the Government is a 'right and proper' body to own and run a broadcasting network, and whether private enterprise might be a safer and more logical option than state ownership in this country.

Chapter Four

4.1 TVNZ: Financial Analysis

As will become clear in Chapter Six of this thesis, financial considerations weigh heavily upon a state-owned service provider where public funding is diverted from taxes to act as a substitute for revenue, revenue which otherwise might be gained from commercial advertising and sponsorship. To understand how such pressures work in practice, Chapter Five will analyse the structure and funding of the public service channels operated by the ABC in Australia. At this stage, it is helpful to study in some depth the current financial position and organisational structure of TVNZ itself, and look in considerable detail at the arguments for and against the sale of TVNZ to private interests.

An initial analysis of both the Annual Reports of TVNZ and NZ on Air give an indication of the complexity of the fiscal relationship between the state-owned television network and its benevolent quango (quasi-autonomous national government organisation). As an example, each has a different financial accounting period, with TVNZ reporting a 31 December balance date, and NZOA balancing to 30 June. However, it does not significantly fudge the meaning behind the figures. NZOA, for financial periods 1995/6, 1996/7, and 1997/8, report an income from the statutory annual licence fee of between \$94 and \$100 million, of which around \$44 to \$45 million was spent each year on subsidising the cost of television production for use by the major free-to-air broadcasters. The percentage each receives fluctuates considerably each year, depending on the range and number of subsidised programmes purchased. There is no preconceived funding formula. In 1995/6 TVNZ received 70% of allocated funds (1996/7: 78%; 1997/8: 66%), leaving TV3 the balance of 30% (1996/7: 22%; 1997/8: 34%).

Interestingly, upon further examination, it becomes clear that the subsidy received from NZOA does not always reach the broadcasters in purely monetary form. The bulk of funds are dispersed to the independent production companies (of which there are a reasonable number operating in New Zealand) for the making of pre-selected programmes, which, presumably, are then onsold to the channels with the subsidy accounted for (and removed from the purchasing price). By this method the broadcasters buy programmes at a discounted cost, the discount courtesy of NZOA. To illustrate, in the financial year 1995/6 NZOA gave subsidies direct to TVNZ of 39% (that is, only just above 55% of funds received in the form of a subsidy were paid direct to TVNZ; the balance is in the form of a discount on purchases). In the case of TV3 the position the same year was: direct

funds, 3%, equating to 10% of their subsidy received from the fee levy. In 1995/6 the major apportionment by NZOA for television production went directly to the independent production companies (58%). As mentioned, the proportions are not fixed, and in the 1996/7 period TVNZ's direct funding was 29% (from a gross subsidy of 78%), and TV3 2% (from 22%), with 69% going directly to the independents. The 1997/8 year saw TVNZ reduce to 23% direct funding (from a gross of 66%); TV3 received direct only 2% again, (from a larger 34%), with a large 75% going to the independents.

The main thrust of the detail shown above demonstrates that the bulk of the annual subsidy available through NZOA for television goes to TVNZ, although mostly through an indirect route via the independent producers. It is impossible through the published Annual Reports of TVNZ to identify the receipt of such a subsidy in simple monetary terms. It does not appear as a separate financial accounting entry, but it does, of course, impact on the bottom line profitability of the state-owned enterprise through discounted purchases. In Paul Smith's *Revolution in the Air*, 1996, p. 117, there appears a table of the funding distribution for the earlier years 1990 to 1994, and, when studied along with the detail above, no discernible trend is in evidence, except that the direct funding allocated to independents remains high. More recently, NZOA funds available for television production remained almost static, but direct funding for TVNZ fell from \$17,229,030 through \$13,003,890 to \$10,155,880 whereas direct funding for the independents rose from \$25,622,660 through \$30,940,290 to \$33,117,000. This is not altogether a sufficient trend in itself, but underscores TVNZ's need to protect its future revenue position by looking to increase advertising and sponsorship.

Although direct NZOA funding to TVNZ is small when compared to the total revenue of the enterprise, this study is concerned with aspects of cultural and national identity which are served and assisted via such funding mechanisms. Therefore, details of the current extent of NZOA funding received by TVNZ, given the present fixed licence fee, remains an important factor when looking at options for a (totally) publicly funded public service broadcaster.

Problems relating to source and level of such funding are three-fold. Firstly, given that TV1 has in the past been described by political parties as a strategic asset (and seen as the most likely channel to be appropriated for use as a stand-alone public service channel), is it possible to divide the funding structure as it exists individually between TV1 and TV2 - allowing for the intimate nature of their current financial inter-dependence? If not, how difficult would it be to draw up a satisfactory testing model to reveal

the likely fiscal effects impacting on each channel after separation from each other? It would depend on the particular terms of reference - whether one or both channels were to be sold. A scoping study (Ord Minnett, 1998) has been carried out concerning the financial position of TVNZ and several options for sale or retention were considered within the report. A discussion of how the report was seen upon its release will be considered later. Some indicative information can be gained from details set out in the NZOA Annual Reports - where costs of screenings and subsidies are broken down between the channels - but, in most other aspects, TVNZ is a wholly composite entity wholly concerned with commercial sensitivity within the competitive marketplace where both channels operate.

Secondly, TVNZ lists within its statement of accounting policies a number of intangibles, such as deferred development costs, brands and goodwill, all of which are amortised annually. However, it is the entry of programme rights and inventories dealing with 'stock in hand', which raises the question concerning programmes purchased but not used so far to full advantage. Any projection considering the splitting of TV1 and TV2 faces the prospect of what happens to the non-realised assets in the form of the programme rights of both channels. The question is, which channel 'owns' which assets? A public broadcaster would knowingly adopt a significantly different approach to the practice - owing to the absence of a overarching commercial imperative - and therefore programmes seen as commercially less desirable could be seen as comparatively more valuable for a fully funded public channel where commercial considerations were less demanding.

Lastly, there is the matter of the proportionate relationship between the NZOA subsidy and total revenue. The TVNZ group reported a total revenue result for the parent operating company in 1996 of \$378,039,000 (1997: \$386,460,000; 1998: \$356,579,000) of which \$284.2 million (75%) was derived from advertising (1997: 69% ;1998: 76%). The NZOA subsidy was around \$33 million (9%). The dividend (including for that year a special dividend of \$20 million) paid to the Government for the same period covering the Group activities was \$60.4 million, nearly twice the NZOA subsidy. The net profit after taxation for TV1/TV2 for 1996 was \$57,765,000. What is in evidence here is best described as 'fund switching' by the Government (the dividend in exchange for the broadcasting fee), a mechanism by which the Government, arguably, regains access to a portion of 'taxation' as a licence fee, **providing always** that TVNZ is financially secure enough to hand over such a figure each year. Put another way, the 1996 dividend was such a size that TVNZ 'could have self-funded its local production, made a reasonable profit and paid a modest dividend [all by

foregoing NZOA funding]' (The Shoeshine Column, *NBR*, 2 May 1997, p. 75).

However, such a situation cannot be guaranteed, and TVNZ's financial performance in the 1997 Annual Report shows considerable reductions in revenue, and significant increases in expenditure. Restructuring and repositioning costs alone in 1997 were over \$61 million leading to a reduced dividend to the Government of \$21 million. The 'fund switching' of past years dissipated quickly. In 1998 the dividend paid by the TVNZ group was back up to \$31.5 million. The problem, therefore, for this thesis remains the overwhelming part played by advertising in the operation of TVNZ. Allowing for a conservative 50/50 division (although 30/70 could be more likely) of revenue between TV1 and TV2 in 1996, advertising income amounts to \$142,101,000 (1997: \$133.4 million; 1998: 135.3 million). The licence fee of \$110 creates around \$45 million for television programme production (approximately 45% of the total annual income raised by NZOA). Clearly, if all aspects remained the same, a licence fee of \$330 to \$350 would be required to replace lost advertising revenue. This, though, is too simplistic since all inter-relationships would change. In any case, consumer resistance to paying such a high licence fee would harden; a series of sophisticated models would be required to demonstrate the effects of various scenarios which might result from such changes, a step completely outside the scope of this thesis.

4.2 TVNZ: To Sell or Not to Sell?

As mentioned, the state-owned national free-to-air broadcaster has been involved in eleven restructurings in 25 years. Most of these have involved Government input, regulation or legislation at various times. The latest (1986-1989) has been seen as a prelude to the sale (privatisation) of TVNZ. For some time, it has been regarded as a key state asset which could command a considerable premium in the marketplace for its branding alone - far more people watch TV1 and TV2 in New Zealand than any other free-to air channel - and it has been this way prior to other channels being introduced. Given TVNZ's ability to provide the state with significant past financial dividends, why would it make any sense to ready the organisation for privatisation? Why sell a profitable company?

The answer lies mid-way between a realisation that financial dividends may reduce (or disappear entirely), and an ideology which says that it is, in fact, a commercial organisation already, not a 'traditional' state-owned public service channel. The reality of this is hard to deny, but this thesis argues that successive governments have acted to bring about the position whereby the

reality overcomes arguments to the contrary. (TVNZ is a predominantly commercial company relying on advertising and sponsorship for most of its revenue stream). If its public funding through the licence fee had been maintained proportionate to advertising revenue, it would have been able to resist the argument for sale much easier; the aesthetics of supporting a significant element of 'public service' would have protected it from overwhelming commercialisation, and of being seen simply as a company trading for profit. As a commercialised state asset, it becomes far more politically important for governments to initiate a sale so as to 'realise' such assets as income, and move to reduce government debt. By considering TVNZ solely as a commercial enterprise there are few barriers to its disposal should the government suddenly find that its place in the marketplace is threatened - either by increased competition, or by a fall-off in the economy causing revenue to decline over time. This view is understandable *only if* television is regarded as having no wider role than as a means to offer up profit by selling audiences to advertisers. The temptation for governments to see it this way is undeniable given the pressure to firstly take government out of people's lives, and, at the same time, spend more in social areas. The wider debate on whether or not to sell state assets has been lengthy (the question being political) and the decision to sell or not to sell TVNZ has always been part of this debate. Over the past few decades, the number of state-owned assets for sale has declined (as sales have taken place) and TVNZ is now one of the few state-owned assets left to be sold.

In 1995, the National Government, facing an election, ruled out the imminent sale of TVNZ. As Hubbard (1995) recorded: 'It's official: TVNZ is not for sale ... There are clearly powerful forces, both within the bureaucracy and the political parties, that would favour an eventual sale. But [Prime Minister Jim] Bolger has now ruled it out before the next election' (p. 36). He comments that the issue had been on the National Party agenda for some time since they 'once promised - way back in 1987 - to sell one of the television channels, and because there has always been a strong privatisation lobby in the National caucus. Broadcasting Minister Maurice Williamson is a well-known libertarian, leery of most forms of state ownership. Strong voices in the key ministries - Treasury and Commerce - also support the selling of state-owned commercial television' (ibid.). At that time, the political danger of a sale held sway, and the position has continued much the same. In the same article, Hubbard quotes Bruce Cliffe (a previous minister in charge of TVNZ) as saying: 'Politically, it was simply not possible to sell TVNZ at present. The Prime Minister is putting political management very high on the priority list at the moment. I mean, political management would be more his line of country than being driven about a

philosophical issue' (ibid.). Cliffe's statement is quite revealing in that it makes a clear division between politics and ideology. A sale may be desirable philosophically, but, when faced with another view (or possible public antagonism) it becomes less urgent. This is the pragmatism of politics.

Here is shown the difficulty in dealing with state assets which hold a commercial value and provide a revenue stream for the government whilst simultaneously providing a public service. Television New Zealand is more than just a commodity, it is 'our' national broadcaster. Any decision to sell it to private interests is going to be controversial and political. To demonstrate the extent of the controversy, the following documents the debate through the writing of several interested commentators, with contributions from the public and several politicians, covering the last three years from late 1996.

The campaign fought by the political parties in the first MMP General Election included policy on broadcasting. Given the outcome of the 1996 election, and the fact that the National Government's policy at that time was that TVNZ as a state-owned enterprise should be sold, it is interesting to look back at the broadcasting policy of the party which would join in coalition. The New Zealand First Party announced its policy on broadcasting on 26 July 1996. It stated categorically:

... New Zealand First regard both TVNZ and Radio New Zealand as infrastructural State assets. They are vital to this country's sense of identity and perform a critical social and information role ... There will be **NO** sale of either Television New Zealand or Radio New Zealand to private interests. Both corporations will remain in public hands (1996, pp. 1-2).

Among other changes contemplated for state-owned broadcasting were clear and defined public and social responsibilities; a dramatic reduction in advertisement for TV1 (only); free-to-air programming of all major sporting events involving New Zealand national teams; a reduction in the TVNZ dividend to \$10 million per annum for the next three years; and an undertaking to ensure that NZOA funding for Television is dedicated to the state owned channels only, particularly TV1. Following the 1996 election New Zealand First appeared to negotiate away most of its broadcasting policies in exchange for their role in government, but within the Coalition Agreement they retained their policy objective of keeping TVNZ in state control as a strategic asset not for sale. TVNZ's commercial focus remained, however, as did its funding sources and mechanisms. It might be said that New Zealand First had won the first battle. A significant line had been drawn across the debate.

4.3 The TVNZ Sale Debate: Polarity or Polemics?

At its outset, the Coalition Government formed between National and New Zealand First after the 1996 election struck problems with the political 'scandal' surrounding Aotearoa Television Network (ATN) - for details see *National Business Review (NBR)* - Frewen 17-1-97, p. 2; 14-2-97, p. 28; 21-2-97, p. 11; 18-4-97, p. 57; 18-7-97, p. 14; *NBR* - Hunt 14-2-97, pp. 1-2; Burns, 1997. The initiation of the Maori-based channel did not concern TVNZ directly, although it did create a 'sideshow' involving broadcasting issues, especially government-controlled funding of television. Discussion was also taking place on other broadcasting funding issues in relation to the new government's Coalition agreement. Frewen (*NBR*, 21-3-97, p. 9) reports that a review was prompted by 'the Coalition agreement which suggests a cut of two minutes an hour in TV One's commercial breaks and leasing TV2 to private management', and adds that 'ministers are being advised by officials from the Treasury, the Crown Company Monitoring Unit and the Ministry of Commerce. This group has had several meetings, including at least one with TVNZ executives'. The interesting point that Frewen makes here is that there was to be no formal public debate and that a ministerial spokeswoman 'said people could write to [State-owned Enterprises Minister] Mrs Shipley'. He adds: 'Public debate on the issue will be further limited by legal opinions which say that the changes suggested in the Coalition agreement will not require amending legislation for the SOE Act that governs TVNZ's operation' (*ibid.*).

Upon his return to writing media articles for the *NBR* (9-5-97, p. 28), Paul Smith lamented that 'the ground has changed without really shifting' concerning the way commercial television operated in New Zealand. He comments that 'The present system was a product of the 1980s and its impact was initially liberating - market gnomes take a bow. But it was always a compromise between commercialism and culture and in the end commercialism won'. Smith held up the non-commercial ABC in Australia as an example of a system which offers real choice to its audience. In quoting the levels of tax-payer funding put into ABC (and SBS) in Australia Smith's figures were suspect, and he was corrected subsequently in a published letter from Chris Anderson, Group CEO of TVNZ (*NBR*, 30-5-97, p. 25). A limited debate had started which threw up starkly the different perspectives of viewers, financiers, and managers. Smith makes some basic observations concerning commercial and non-commercial television operations, citing overseas longitudinal studies to support his case. These suggest that, over time, commercially-based (ratings-driven) television produces 'increasingly bland, tried-and-safe programming which will satisfy advertisers and demographics - but which will starve its audiences of real

diversity' (*NBR*, 9-5-97, p. 28). Smith goes on to argue that it is now the 'over-commercialisation' of the state channels which is damaging, and quoted former BCNZ chairman, Ian Cross, as saying in 1988 that in offering 'favours' to the marketplace in order to survive, the quality of state television could suffer and ultimately affect the quality of life of the community it serves. The emphasis of Cross's observations is on the state broadcaster carrying the extra goal of providing a service to its public - here he supports the promotion of Reithian ideas and ideals for which the commercialisation of television has little enthusiasm.

The reply from Anderson as chief executive of TVNZ (Letters, *NBR*, 30-5-97, p. 25) is unequivocal and opposite, typifying broadcasting debates at this level as dichotomous, that is, each viewpoint emanating from entrenched positions despite engaging in debate. Anderson describes the taxpayer funding of ABC as being 'a big drain on the Australian taxpayer ... to serve a maximum of 16% of the viewing audience'. Later, he asks whether, relative to the population of the two countries, could we afford such public expenditure? Ramming home what he feels is a logical advantage, Anderson questions if there are enough people in New Zealand 'who crave for the type of elitist, minority programming carried by the ABC and SBS? If so, at what cost?' (*ibid.*). He acknowledges that to change the present system is for the government to consider and TVNZ presently has to operate in a realistic commercial environment. Throughout his reply there is a sense of defensive justification, and it is clear Smith's article has touched a nerve.

Shoeshine's column (*NBR*, 2-5-97, p. 75) had a similar effect, this time on the Chief Executive of NZOA, Chris Prowse. Prowse, in his response (Letters, *NBR*, 9-5-97, p. 21) mostly attacks the columnist rather than the issue, but then asks the inevitable question: 'How is this non-commercial channel to be funded?' ... He answers by attacking Shoeshine's own reasoning: "By using TVNZ's dividend of \$60 million plus \$50 million from New Zealand On Air" ... Shoeshine is still a few tens of millions short on what it would *probably cost* to run his ad-free channel' (my italics). Again, funding issues are considered well prior to establishing how such a channel may be structured. Prowse could be right that \$110 million would not be enough on an annual basis, and notably, TVNZ's dividend in most years is considerably less than \$60 million. Later Prowse suggests we do not lose sight of the requirements of young people who may have a different view of New Zealand culture than those [aged 40+] supposedly represented by the Shoeshine columnist. Both writers appear to agree that tax-payer funding and support is necessary to ensure positive local content, but they widely disagree on the best method to do this. For, as Shoeshine recounts, Prowse had already gone on record as saying: 'The size of the local

advertising market makes it uneconomic for broadcasters to buy or make a range of local programmes without financial support' (NBR, 2-5-97, p. 75). However, Prowse, given his role as with NZOA, would obviously be inclined to this view.

A third correspondent of the *NBR*, former MP John Terris, joins in the debate (Letters, *NBR*, 16-5-97, p. 21). Terris notes the personal attack through earlier correspondence, and makes the comment that, as a member of the Labour Government which initiated the reforms and set up NZOA, he supported the reorganisation at the time. He is not presently happy about the subsequent performance since, least of all to see 'the level of commercials telecast per hour rise to exceed that of any other western country'. He continues:

The New Zealand on Air experiment has proved to be an expensive failure. Shoeshine is absolutely right, that the money which is currently being directed to New Zealand on Air should be instead used to fund a non-commercial channel ... My only hope is that the government will work to reduce the number of commercials and the shortest route to that point is to get rid of New Zealand on Air and use the money to establish a non-commercial channel (ibid.).

Finally, the same debate is enjoined by the Public Affairs manager for TVNZ, Alistair Carthew (Letters, *NBR*, 30-5-97, p. 25). He corrects some of the assumptions made by Terris, particularly in the area of the frequency of commercials. Here Carthew enthuses that the experience on some major US networks regularly exceeds those of TVNZ, and adds: 'In New Zealand, we self-regulate commercials at 12 minutes per hour at peak time. This advertising time is not usually exceeded. Promotions are in addition' (my emphasis). Carthew suggests that on commercial television in Australia it is 13 minutes per hour. He finishes by supporting the argument that a non-commercial channel would be too expensive to contemplate since 'the exorbitant cost of a fully non-commercial TV One, for example, would be extremely hard for any government, and the taxpayer to sustain'. *Handwritten notes: 12 min, 13 min, 12 min, 13 min*

Both these extended literary discussions centre on structure and funding of state-owned television. A different aspect is considered by Rob Hosking (*NBR*, 30-5-97, p. 5). In this article he discusses recent asset sales of past governments, and records that the possible sale of TVNZ is problematic since TV1 is listed by the Coalition agreement as a strategic asset, whereas TV2 was not. Moreover, he suggests that TV2 is a 'cash cow', has high ratings and broadcasts low-cost shows around which is packed lucrative advertising, leading to cross-subsidies from TV2 to TV1. Thus, selling TV2

cuts away financial support from TV1 and this is considered by Hosking to be the main difference in respect of earlier asset sales, adding: 'Today, the fiscal imperative is nowhere near as strong - and the political pressures are mostly against any sale of TVNZ'.

Discussion of the sale reared up again in early August 1997 with the resignation of TVNZ chief executive Chris Anderson. Smith (*NBR*, 15-8-97, p. 48) used the event to review the personnel structure of TVNZ and noted that the line-up of executives had changed significantly during Anderson's tenure. Smith reported that Anderson had now confirmed something he (Anderson) had often denied - that he had been hired to help prepare TVNZ for sale. McNabb reported a speech made only days prior to the resignation announcement (*The Dominion*, 6-8-97, p. 15), where Anderson predicted the government would not own the network in 10 to 15 years time. Addressing the Telecommunications Users Association conference in Auckland, Anderson described the business (of television) as 'very risky, capital voracious' for the government. McNabb recounts Anderson saying that 'if TV2 was leased to private enterprise (as proposed in the last [National Party] election broadcasting manifesto) it would cause a \$300 million to \$400 million loss of wealth' (*ibid.*).

By now there were several scenarios being floated by various interests and commentators: to sell TVNZ in total, while it still held its commercial value against the triple onslaught of rival competitors, digitalisation (technical innovation), and the lessening of available advertising revenue; to sell TV2 and restructure TV1 into a stand-alone 'public service' type channel; to lease out TV2 to private interests and use the income stream to underwrite the costs of the new 'no-ads' TV1. None of these options were the subject of serious, in-depth modelling research until the following year. However, in the *NBR* (15-8-97, p. 48) Richard Gordon wrote that TVNZ had commissioned a media consultant, Max Suich, to study the feasibility of reducing the amount of advertising on TV1. Quoting the report Gordon states that one recommendation to TVNZ was that it should seek to persuade the government that regulation, if introduced for TV1, should be applied equally throughout the New Zealand television industry, state and private, to ensure an even playing field 'for viewers and advertisers'. Further, in accepting the report, TVNZ's director of television, Neil Roberts, said: 'programme promotions in peak time would be reduced from three minutes to 90 seconds per hour on One. This would cut the average non-programming minuteage from 15 minutes to 13.5 minutes per hour in prime time'. Apart from advertising issues, Suich's report covered future developments and their possible impact on diversity. Gordon writes:

... digital TV would provide an economic method of delivering the sort of cultural and ethnic diversity of programming which the Coalition's policy appears to call for. [The report says] "How much choice can a nation of 3.6 million afford either commercially or through subsidy? If the cultural elites desire their own specialist programming how much should the tax-payer foot the bill? Digital provides a cheaper delivery system but programme costs will still have to be met" (ibid.).

Again the cultural debate looms, only to be completely subsumed by the ever-present problem of economics of delivery. Smith in his media column the following week (*NBR*, 22-8-97, p. 58) considers the original brief of the Suich report limited the enquiry by being 'heavy on symptoms like programming but light on *critical examination of structure*' (my emphasis). Smith believes that the network's structure and its relationship with its owner (the government) is responsible for a major part of the problem. He explains: 'In its present straitjacket, TVNZ must deliver audiences to advertisers. Ratings saturate every idea and every programme placement because each programme has to earn its place on the schedule. This has sanitised its schedule and diminished what is left of its public service role' (ibid.). Smith then enlarges on what he sees as an attack on 'cultural' critics such as himself and the absence of well-founded survey research:

According to Mr Suich, cultural critters all want 'serious' or 'highbrow' stuff on the box. Mr Suich refers to this as 'elite welfare programming'. TVNZ is headed by Chris Anderson, who has often described public service broadcasting as 'middle-class welfare' ... Cultural critics are not only out of date, they are out of touch with what viewers want, according to Mr Suich, who also cites TVNZ research. Its questions include this: "Advertising is necessary to pay for the high cost of television". Not surprisingly, 77% agreed. No questions were put to them about alternative financing or approaches but there was this one about the licence fee: 'Would you support or oppose a \$50 increase in that fee to \$160 if it meant that the amount of advertising on TV One was reduced from 15 minutes to 10 minutes per hour?' Another value-laden question and 72% were opposed - possibly because they are not getting value for money (ibid.).

This, then, is the major object of critical comment - to interrogate the research in terms of the initiator, the purpose, and ultimate use of the findings. In this instance, Suich's report for TVNZ certainly brought out the issues, but the subsequent initial use of the report by TVNZ minimised

rather than maximised its findings. The question is why were the terms of reference for the report so restrictive as Smith suggests? A wider view could have resulted from wider terms of reference, and a public debate could have been welcomed subsequently. Was the purpose of the research simply to gain information for specific economic arguments relating to TVNZ's competitive business operation? If so, it should not be forgotten that TVNZ has a wider social role as a state-owned enterprise (and a national broadcaster), for under its Act it is charged, as a secondary responsibility, to be 'an organisation that exhibits a sense of social responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so' (State Enterprises Act 1986, Part 1, Section 4 (i) c). Wider terms of reference applied to Suich's study would have enabled matters other than the economic imperative to have been heard, recorded and then debated, perhaps affecting a far wider audience.

Later, in October 1997, the Prime Minister, Jim Bolger, made a key speech to Auckland business people, and asked rhetorically: 'Are busy ministers the right people to run property companies, airports, coal companies, television companies and so on? The answer is no' (Hunt, *NBR*, 3-10-97, p. 1). This speech revived the debate dealing with the proposed sale of TVNZ, as, no doubt, was expected. Bell reported in *The Dominion* (4-10-97, p. 1) that Deputy Prime Minister and leader of New Zealand First, Winston Peters, confirmed that changing circumstances had forced a rethink on the matter. The turnaround was based on the possibility that the value of TVNZ was being eroded over time, and to sell might be the most sensible option. Bell reported that 'some television sources estimated that TV1 (sic) was worth \$1 billion but other experts claimed the real value was more like \$468 million. Mr Bolger said yesterday the cost of subsidising TV1 after TV2 had been sold would be prohibitive' (ibid.). The Government had considered the leasing of TV2 as an option, but were not convinced the idea had merit. Bolger said in *The Dominion* 'The Government has no direct input into programming on television by law. So what is it that we seek from state ownership of television? And it is very hard to find what benefits there would be' (ibid.).

A muted public debate followed these statements, mainly in the written media. For example, an editorial in the *Evening Standard* (8-10-97) was followed by a published letter from a correspondent (Comrie, *Evening Standard*, 11-10-97, p. 11). Frewen used the announcement as a basis for his column (*NBR*, 10-10-97, p. 62), attacking the whole idea of selling off TVNZ to private interests. In doing so he questions the assumptions concerning the 'prohibitive' cost of subsidising TV1 after a TV2 sale, and

also that TVNZ faced imminent competition from 'up to 45 television channels in New Zealand by Christmas'. He forces admissions from various government press secretaries that Ministers' comments were more likely to be based on supposition than any concrete empirical evidence. The same process applied to 'guesstimates' of the worth of TVNZ, which had a 'book value' of \$240 million. The problem put simply is that no recent detailed research on the matters talked of by ministers had ever been done. The reasons for floating the idea of selling TVNZ can be seen as political and economic. The Shoeshine Column (*NBR*, 24-10-97, p. 71) ponders that the next wave of privatisation could be driven by fiscal concerns (as before), but the sale of TVNZ, if on the agenda, would be 'particularly thorny' since 'while voters grizzle incessantly about the quality of programming and the number of advertisements, many still feel they have some control over it if it stays in government ownership'.

In the same issue, Smith writes a reminder to politicians that TVNZ is a state-owned asset that the public may consider the government does not hold a mandate to sell (*ibid.*, p. 48). Making the point that, in Australia, the public 'love' their ABC (through a feeling of ownership generated by knowing its fully funded by the tax-payer), in New Zealand the direct link is broken through the licence fee being paid direct to an intermediary, NZOA. Smith recalls that 'TVNZ as it is today may exist largely on commercial revenue but it was built by Kiwis for Kiwis'. The original investment made over decades by tax-payers, though obscured by the current commercial ethos of both TVNZ channels, is a combination of financial and cultural resources given unselfishly. Smith is concerned that 'political myopia over broadcasting, potentially one of the most powerful influences in our lives, means Kiwis are denied its [potential] richness'. He comments further:

... in Australia there are three commercial stations, one non-commercial [ABC] and one (SBS) semi-commercial ... The potential [in New Zealand] for complementary and public, as opposed to ratings-driven, television, exists within TVNZ's [current] three channels (*ibid.*).

The debate continued in the *Listener* (15-11-97, pp. 34-6) in a lengthy article entitled *Selling out TVNZ* by Gordon Campbell. He questioned the urgency for sale, suggesting that digitisation could be paid for slowly over a period of up to ten years, and that the expected channel saturation of nearly 50 competing channels would not happen overnight. Commenting on the fragmentation of the market by niche market broadcasters, he quotes Michael Grade of Channel Four in Britain as saying that the public would find the opportunity of greater choice quite costly in terms of individual pay-

TV channels. This might seem a reverse of the argument of economies of scale, particularly more so in the small local New Zealand market. Video-TV channels can be cheap(er) to programme, but must have audience 'reach' to underwrite medium term set-up and transmission costs. Just as large markets such as Britain can support the BBC public system by sheer weight of licence fee payers, Britain is also able to find relatively large numbers to support niche channels. The set-up and ongoing operating expenses alone in New Zealand for a niche channel may well be not dissimilar to Britain's, but it would have difficulty in attracting a similar number of paying viewers. In addition, the cost of making programmes of a particular type remains the same whether 5000 watch or 500,000. Public funding through taxation of one sort or another can ignore, in the main, the numbers game and concentrate on content, whereas pay-TV must have subscribers to return a profit - how large a profit depends on how many subscribers.

Campbell does not see Pay-TV as a threat to TVNZ anyway, he believes them to exist in an entirely different (commercial) market. Regarding Prime Minister Bolger's emotive plea for the state to rid itself of TVNZ, Campbell suggests a sale would be most unpopular with the public. Supporting his argument he reaffirms the political Left's stance on the earlier sale of Telecom to overseas interests - that is, that it was sold cheap so as to quickly pay off overseas debt, and that since the sale the new owner has seen the value of assets escalate and annual profits rise exponentially, with a large part the profits going off-shore instead of being used in this country to the social benefit of all New Zealanders. Campbell cautions about the benefits to New Zealand of a similar sale of TVNZ to overseas interests. The response to his article by correspondents was sparse. A sole letter appeared (*Listener*, 13-12-97, p. 8), in which Simon Marler argues against the cynical political process as he sees it. He suggests that public interest in the medium of television is immense [if only because so many watch and interact with it], and that public pressure is mounting to balance advertising revenue with 'quality content'. No definition of quality is supplied other than the additional comment that it 'costs a lot of money'. Marler observes that 'TVNZ has already begun its process of devolution from public broadcaster to private entertainment provider' and cynically suggests that the sale of TVNZ will be completed [in Parliament] one night 'when we are all asleep' (ibid.). His letter finishes with the remark that we stand to lose our most powerful forum for public debate - a remark that is ironic if considered in the context of the current scarcity of programmes initiating open debate on our television screens.

Having indicated in early October 1997 that the sale of TVNZ was being considered, New Zealand First leader Winston Peters repeated in a lead story (Main, *The Dominion*, 15-11-97, p. 1) that TV1 remained a strategic asset and was not for sale. Main reports that the senior Coalition party was pressing its partner 'to agree to the sale of TVNZ and to the provision of public television, including a Maori-language service, through a separate non-commercial channel'. Peters, as Treasurer, announced the initiation of a scoping study 'into the Government's ownership of TVNZ [which] concerns a whole host of things, such as future investment requirements, future debt servicing requirements, *future structure*' (ibid., my emphasis). Main quotes 'a National source' that 'funding for the public service channel could come from N Z on Air or from interest on the money from the sale of TVNZ' (ibid.). A further news story (NZPA, *The Dominion*, 6-12-97, p. 7) confirmed that the Government was seeking advice on its ownership of TVNZ after months of speculation and that the Government's statement said: 'We recognise the public's desire for quality New Zealand television. The funding of such programming as well as other public broadcasting policy issues will also be taken into account'. The article also includes comment from Marion Hobbs, Labour's broadcasting spokeswoman, where she said it was typical of a right wing agenda. She continues:

The statement 'seeking advice' is nothing more than a shield for the Government to hide behind when it strips TVNZ. Treasury is likely to appoint advisers who can be assured to follow the Government's ideological path. Today's announcement does not bode well for the future of state assets under a Shipley-led Government (ibid).

Other Treasury appointees to the scoping study headed by investment bankers Ord Minnett, included Anderson Consultants and the New Zealand Institute for Economic Research. The terms of reference under which they were appointed, and which were to form the basis of their enquiry, were not made public at the time.

In his column Smith continues his opposition to the sale (Smith, *NBR*, 14-11-97, p. 89). He defines the main reason for sale as simple - a quick profit which will reduce our national debt. The reasons for not selling he sees as more compelling: 'TVNZ is not just another "asset". It is our cultural forum, our voice, our independent on-air sovereignty for society as a whole, not a slice of it ... TVNZ is ours. It is the property of taxpayers ... It offers a disinterested voice among the self-serving signals delivered by messengers from the Murdoch, Packer or CanWest camps' (ibid.). His view of TVNZ is

utopian, rather a dream of what it could be, not what it presently is. His advocacy continues:

Under deregulation TVNZ was relaunched and reshaped to serve the market of advertisers and its owners, the government. Hefty dividends have been squeezed out of it since 1989. But if it was maintained in public ownership and the monetarist model was modified, it could serve its masters and markets in a quite different way. A first step would be for the government to reduce its greed for dividends ... Other arguments could [then] continue but *only if it remained intact in public ownership* ... Missing from the production menu at TVNZ are risk-taking, the quality of surprise - and people. They occasionally feature as studio ornamentation but nowhere can they access their medium directly ... (ibid., my emphasis).

Here Smith is lamenting the loss of the public sphere on New Zealand television, and blames the present structure for it. He is also regretting the loss of Reithian values and later writes:

... philosophy is critical to any debate on public broadcasting and these are some of the key ideals of public broadcasting researched in 1986 by the UK Broadcasting Unit:

- Universality of payment - one main instrument of broadcasting directly funded by a body of users;
- Broadcasting should be structured to encourage competition in good programming rather than competition for numbers;
- Universality of appeal - programmes should cater for all interests (not demographics);
- Broadcasting should be distanced from all vested interests and in particular from those of the government of the day. Public service broadcasting should not be subservient either to governments or advertisers (Smith, *NBR*, 28-11-97, p. 60).

Towards the end of 1997, because of continual comment about the proposal to sell TVNZ in the print media, the topic surfaced on National Radio in the form of an *Insight* programme broadcast at 8pm on Monday 17-11-97. Debra Harrington used a series of edited interviews with leading media commentators and spokespeople, and linked it with her commentary on the debate so far. The following exchange of ideas is indicative of how the issues tend to be hard to elaborate in simple terms, and how solutions, when

suggested, seem impossible to quantify easily in terms of possible funding options.

Harrington: Bruce Wallace ... believes the government has no role in owning television of any sort. He thinks that through New Zealand On Air the mechanism is in place to ensure New Zealand culture is reflected on TV even in a highly commercial environment. He says New Zealand programmes would continue to be on our screens because that's what people watch.

Wallace: We shouldn't forget that New Zealand programming is increasingly popular among audiences. I mean if you look at the main schedules of TV3 for example there's been an increasing amount of local programming there much of which isn't supported by New Zealand On Air and now you could argue I think, that some of that programming is not exactly opera and ballet. But that's not the issue. The issue is that it's the New Zealand accent, the New Zealand idiom and New Zealand scenes, rather the scenes of Los Angeles.

Harrington: In other words even if it's pure pragmatism, New Zealand programmes will continue to be shown because they rate. Paul Norris, however, doesn't believe New Zealand On Air can ensure New Zealand content on television.

Paul Norris: New Zealand On Air does perform a valuable function, but it is limited. It has a limited amount of money, only about \$40 to \$45 million is spent on New Zealand made television programmes and the real problem is that it's only one part of the chain, it doesn't actually have the power to ensure that the programmes it wants to have broadcast or made, will be broadcast. It is always up to the broadcasters to decide what they want to screen and, there's a certain amount of tension between New Zealand On Air and the broadcasters, and, I think, looking to New Zealand On Air to safeguard the future of New Zealand content is simply too optimistic.

Harrington: So exactly what sort of television would New Zealand end up with if there were no public ownership?

Jonathan Hunt: There would still be programmes provided ... there would still be New Zealand television programming, but I would suspect it would be much more less minority based, it would be more interested in soap opera, we would probably get two or three *Shortland Streets* (and I'm one of those who think *Shortland Street's* been a good thing for New Zealand television), but there'd be far fewer programmes like *Fraser*, like *Assignment* and those sorts of programmes, and that would worry me because I think one of the weaknesses of TVNZ at the moment, is that it doesn't have enough current affairs and I've held that view for a number of years (Harrington, 1997).

Harrington goes on to question Winston Peters' \$400 to \$500 million estimate of the cost of digitalisation to TVNZ. She asks Max Suich and his view is that the figure was more likely close to \$90 million. Paul Norris suggests that TVNZ was robust enough to plan and cope with the cost of digitalisation. He also casts doubt on the likelihood of an extra 45 to 50 channels on air in the near future (previously cited as a reason for preparing TVNZ for sale), and points out that most new channels through digitalisation are likely to be pay-tv channels, not free-to-air. Norris concludes: "Free-to-air television is by no means dead' (ibid.).

The debate on *Insight* then moves on to the possibility of funding a public service channel (perhaps TV1), and Tom Frewen offers support:

Harrington: [Frewen] ... says currently we have a publicly-owned television system which does not provide public broadcasting.

Frewen: The critical difference is in the way [public] television is funded. It's either funded from a licence fee or a tax, or it's funded from advertising. Broadcasting can only be funded in those two ways because you can't pay for it programme by programme, you can just turn it on. So, the way it's funded makes a big difference, if it's funded from advertising, the broadcaster has a responsibility to the advertiser to deliver the maximum audience, and, therefore, provide the most popular type of programmes. If the broadcaster is funded by the public, then it is the broadcaster's duty to entertain, inform and educate the public in the best way possible, and the [way that a] broadcaster, as an expert, thinks. So, you get two completely different types of television. We're missing out on the second type here. Now ... the loss is serious. You look for ... the minority language ... the Arts ... where do you find a whole lot of programmes you find in prime time in other countries? Not on New Zealand television. The reason is not to do with ownership, but to do with funding, although, public ownership of a commercial channel is a bad idea. The Government should get out of commercial television. It should sell TV2 ... and keep TV1 as a public broadcaster (ibid.).

Bruce Wallace disagreed with Frewen's line of argument and attempted to link the amount of money a public broadcasting channel would need to go to air with the size of its likely audience share. In terms of a commercial system based on ratings his point is valid, but for a public broadcaster *audience reach* is a far better measure of effectiveness. A public channel may, at best, expect a maximum rating on average of, say, 16%, but its reach (those of its audience who watch from time to time) can be as high as 75% of the population during the same period. With TV1 used as the basis for a public channel, its reach would inevitably be high in the first instance due to the inheritance factor from its existing audience. This view is rarely discussed or considered within the forum of such a debate, and almost never discussed on television itself.

The above selected extracts from *Insight* are of considerable interest to this thesis, and the programme itself was balanced and covered the question of the sale of TVNZ in a thorough way. What was lacking during 1997 was a similar discussion on the subject by the medium of television itself. Not a saleable programme to advertisers or sponsors perhaps? In fact, it could be seen as a case of TVNZ about to 'bite the hand that feeds'. Television programmes discussing the possible future of free-to-air channels are few, most often not screened in prime time. Any exceptions become noteworthy for their existence and bravery. Two such programmes did appear in 1998 and will be briefly analysed later.

4.4 The TVNZ Sale Debate: 1998 and beyond ...

In mid-August 1998 the Coalition Government broke apart with the National Party continuing to govern with a minority government. The Coalition agreement citing TVNZ as a listed strategic asset not for sale

became merely another historical document with little effect on future government policy. Prior to the rupture, the early release of the actual terms of reference of the Treasury-initiated scoping study on TVNZ (now eagerly awaited by some commentators as a guide as to what may be the general direction of government policy) was blocked in April by Finance Minister Bill Birch (Frewen, *NBR*, 24-4-1998, p. 15). The terms of reference were finally released to the public via the news media on 5 May 1998. The sale options being studied and assessed in the report remained secret, but the terms of reference gave interested parties enough insight to know where policy was heading. The consultants (Ord Minnett et al) had been asked to estimate the value of TVNZ under various alternative ownership strategies. The completed study, now known as the 'TVNZ Scoping Report' was released to the public on 23 September 1998.

The late release of the terms of reference appears unquestionably political. Analysis showed that the focus was narrow and predominantly financial. It was a scoping report on sale options: "It looks at the value of continued Government ownership of TVNZ, alternative ownership, and possible sales methods for parts of TVNZ, including trade sale, float, or a combination of the two ... It will assess TVNZ's medium term strategic plan, the value of its assets and liabilities and on-going capital expenditure requirements, and analyse the risks posed by technological change and competition' (Bain, *The Dominion*, 6-5-98, p. 3). Nothing appeared to give any reasonable space to public service/cultural identity issues which, by this stage, were seen by some as critical to the sale debate.

Frewen, in addressing the political issues of the sale, suggests the result of the study will not save the Government from the need to make basic decisions on related matters other than simply whether to sell, to whom, and at what price (Frewen, *NBR*, 15-5-98, p. 42). He sees the government and the Treasury 'firmly wedged in an ideological cleft-stick: while the state has no business being in business, the nature of publicly-funded broadcasting is anathema to the concept of user pays ... The public broadcasting option [eg. Radio New Zealand] at least offers purity of public use of public funds' (ibid.). Frewen also refers nostalgically to commercial-free nights on New Zealand free-to-air state television twenty years ago which 'illustrate the dramatic difference in the quality and type of programmes possible in a schedule that is not driven by the need to deliver maximum audience to advertisers' (ibid).

In similar vein, Smith eschews the scoping report, and brings the debate back to the structure which causes TVNZ to seek profits rather than concentrate on local content for its own sake. He points out that:

... the trouble with local content as an issue is that it can be hijacked and, with revenue as the guiding force, can emerge from an ideal to small screen reality as cheap programming formats. It is the kind of local content as much as the quantity which is crucial (Smith, *NBR*, 15-5-98, p. 42).

Smith then goes into some detail as to how a publicly-owned TVNZ might transform itself into a semi-commercial structure which opens up room for less advertising and a wider public service focus, and he suggests one area the Government might assist is the abandonment of the requirement for the organisation to pay a sizeable dividend. Notwithstanding, it would be essential, if the dividend request was nullified, that restraint was exercised in the area of financial control to ensure the continuation of prudent management, and cost containment, which in the past few years have made such significant dividends possible. Else money, needed to be earmarked for future expansion, planning, and technological advance, would be swallowed up by the knowledge that the profit imperative to the shareholder had diminished. A semi-commercial model still requires profit incentives to survive.

It was probably no accident that the release of the terms of reference, so long delayed by Ministers, brought forward a number of articles, both in the written press and from media commentators. They may have been looking for something positive to come from the study, while always fearing the worst. In the *NBR* Ian Cross (former chairman of the Broadcasting Corporation: 1977- 1984, and Chief Executive: 1984-1988) had this to say:

Once again television is being criticised for its lack of local content and falling programme standards. Television New Zealand has all the blame heaped upon it, because it is seen as having some sort of legislated duty to satisfy the public through its free-to-air channels. This is far from the truth. Even though it is state-owned, built up by a tax on owners of television sets since 1962, TVNZ does not have to give a damn for viewer or public interest when it deems it has better things to do with its time and assets ... Now that it is so obviously seen as not serving any public interest at all, most of it should be sold off to private enterprise to take its chances in the real world. TV1, however, should be retained by the state as a true public service channel, supported by the proper use of the licence fee. That fee was established in 1962 to meet the costs of non-commercial programming. But since 1989, the tax has been collected for something that no longer exists, and converted into a subsidy for commercial television ... A public service

channel would require a charter to guarantee non-commercial television in prime time, with freedom for its governing body to use the rest of the time in any way that supported such programming, in addition to the licence income ... (Cross, *NBR*, 15-5-98, p. 44).

Meantime, on 5 May 1998 in parliament, TVNZ became the focus of Questions for Oral Answer. In reply to Question 1, the Prime Minister, Jenny Shipley stated: 'Television One is a strategic asset. It is named as such in the coalition agreement. The coalition has no intention of selling Television One' (Hansard, p. 8199). Later, she confirmed that she had 'no knowledge of any discussion on the potential sale of any other part of Television New Zealand' (*ibid.*). The following day at Question Time, the deputy Prime Minister, Winston Peters, said on behalf of the Prime Minister:

In December 1997 the coalition Government appointed the Ord Minnett consortium to undertake an investigation of the Crown's ownership interests in Television New Zealand. That report is yet to be presented to Ministers, and no decisions will be made until it has been received and considered. The Prime minister wants to make it clear, however, that Television One is a strategic asset set out in the coalition agreement and is therefore not for sale (*ibid.* p. 8242).

In a supplementary question the Leader of the Opposition, Helen Clark, asked:

...could [Mr Peters] advise the House whether his position has changed since a headline appeared on the front page of *The Dominion* on 4 October last year stating: 'Peters OK's sale of Television New Zealand', and where he is quoted as confirming that Television New Zealand could be sold, and indicating that if circumstances changed, other so-called strategic assets could be up for sale; what is his position? (*ibid.*).

The reply was short and evasive: 'It is well known in this House that if a matter appears in *The Dominion* then the member should have the chance to refute it, and I do ... (*ibid.*). So goes the cut and thrust of political debate in Parliament, but it does demonstrate how tenuous any safeguards might be in respect of continued state-ownership of state assets in the current political-economic climate of neo-rightist governments.

On 28 May 1998 Parliament debated the 1996-97 Annual Report of TVNZ. Very much a set-piece debate, the chairman of the Commerce Committee, Warren Kyd, reported: 'It has clearly been a very difficult year for

Television New Zealand Ltd. It has come across some fairly hard problems, including a major loss with [subsidiary] Horizon Pacific Television [\$36.1 million] ... It has also had some management problems ... The company has had a considerable drop in profitability [a \$55.9 million loss in advertising revenue], its profits being well below those that were projected' (Hansard, p. 9388). Kyd continues on acknowledging that TVNZ has been, in the past, 'a cash cow', but probably not so in the future. He cites the possibility of structural alternatives, perhaps the BBC model, but 'that would cost \$80 million to \$160 million' for 'fully funded, high quality, national television'. In answer to an interjection he ends by confirming: 'We cannot privatise' (ibid, p. 9389).

In responding to the chairman's opening remarks, Marion Hobbs (Opposition member) covered viewing standards, local content and national cultural issues. She criticised the Government for the uncertainty caused through the continual threat of sale of the SOE, and poured scorn on the 'enormous cost' of the scoping study. Her view was that a Labour Government would not want to see New Zealand become 'one of the only countries in the world not to own its own television network, and through that ownership be able to protect its [peoples'] culture' (ibid. p. 9390). Another speaker, Government member Bob Simcock, congratulated TVNZ on a good year, significant profits, and a good dividend. He agreed that a preference for a free-to-air non-commercial channel exists, but that the cost would be too great:

I suggest that one of the things that we as a society cannot afford to provide at this time is free-to-air, non-advertising, television. So we end up with a television network that is commercial. It compromises all the things that [...] state-owned television should not compromise ... [Critics] will argue for public ownership and delivery of television on the basis of things it might deliver, and probably will never deliver, all of the dreams they attach to that ideal ... The reality is that we have a commercial network. It is driven by commercial imperatives. It is performing well. It is being managed well. It is delivering returns on the assets that are invested, and I believe that it will continue to do so (ibid. p. 9391).

The parliamentary debate on the performance of TVNZ continued in the form of repartee between speakers on whether TVNZ was to be sold or not. New Zealand First MP Jenny Bloxham noted that 'a fully funded public service television channel, which some people say they want, would cost \$508 million' (ibid. p. 9394). It is here that the quintessential point of the debate is reached. For the government - as owner - the debate centres around cost and only marginally are other issues seriously debated. All the

discussion becomes crystallised into three well-worn scenarios for the future. Firstly, cease all possible future financial involvement: sell now at the best price, and use proceeds to reduce debt; secondly, do nothing: hope that future projected costs are exaggerated and that the public learns to tolerate and live with the full commercialisation of its state-owned channels; thirdly, offer the possibility of research into providing one channel free of advertising, and sell off the rest as quickly as possible. Although there are obvious public economic advantages of sale, improvement of service to the viewers - and whether this is desirable or necessary - is unable to be quantified unless research is undertaken first to inform the argument. Since there is no consensus on what makes 'good' television, there is no way of knowing what price would be 'acceptable' to the individual taxpayer to raise the standard of what is currently screened on TVNZ schedules. By using figures as widely varied as \$80/160 million through to \$508 million in an ad hoc debate does not assist in any thoughtful way to focus the mind on the real questions: what is it that we are buying for these sums, and what other alternatives are there?

In a National Radio interview Wayne Hope, a media lecturer and commentator currently working at the Auckland Institute of Technology, spoke with Eva Rhadich. After initially dealing with the issue of retaining live coverage of national sports on free-to-air television, Rhadich asked:

Rhadich: Do you think ... that TVNZ as the so-called public television broadcaster needs a charter such as Radio New Zealand has to operate under?

Hope: Yes ... I guess there's two things happening here - first of all the way that TV1 promotes itself is being undermined ... they promote themselves as *The National Channel* against its private competitors, but if they're losing the national sports like rugby and cricket, then that doesn't look credible any further ... [two possible paths maybe] either through ... special [anti-syphoning] legislation to protect national heritage sports from going over to pay-TV,

and secondly a sort of more fundamental approach and that's a setting up of a channel with a complementary charter, as they do in Channel 4 in England, with minimal advertising and, if we believe that to be important to our national heritage then we can do so far cheaper than it would be to get another frigate, or, cheaper than it would be to set up a Te Papa museum ... (Rhadich, 1998).

As the interview ran on the issue of 'national heritage' was likened by Hope to our National Parks, National Museum, etc., and he suggested we should have a national television service governed and controlled by a charter. Referring to the present structure, Hope pointed out that TVNZ was trapped in a deregulated environment (an oxymoronic concept). He argued that a charter underpinning a public channel (which was wholly committed to themes and issues of community interest) would create a framework for programming under different principles than those followed by TVNZ currently. Rhadich asked Hope how he thought the present impasse might be solved, and he replied that the first step must be 'full and frank public debate' (ibid). One of the problems he saw was getting public views on the

issues of public broadcasting on mainstream media simply because mainstream media (in particular, free-to-air television) was so commercialised that there was not the 'news-space' or 'current affairs space' available to debate these issues to a national audience. In conclusion Hope felt it was important that any debate is taken out of the ratings and included discussion on the type of programming not shown that people may be interested in. As with the earlier National Radio *Insight* programme this interview took place in the 'public space' created by *public* radio.

Notwithstanding the above comment, TVNZ programmes have been the forum for debates about itself in recent years, for instance: *Assignment* (Harrington, 1997); and *Backch@t* twice (Harcourt, 1998a; 1998b). *Assignment* dealt with TVNZ's future and digital technology, coverage of Maori language and culture, the bidding war for major sports events, and the stagnation of the amount of the (NZOA) broadcasting fee. The first *Backch@t* programme canvassed similar issues, and included the cuts in government funding for Public Radio. It also featured a panel discussion with Lindsay Perigo, David Beatson, Greg McGee and Bill Ralston. They debated the interrelated issues of local content, cultural identity, programme quotas, and the compulsory nature of the broadcasting fee. The Minister for SOE's, Tony Ryall, appeared briefly, mainly to confirm on air that 'TV1 is not for sale' (Harcourt, 1998a).

The second *Backch@t* programme (Harcourt, 1998b) included an extended debate on the sale of TVNZ. Discussion was lively and passionate, but not always logical or coherent. The panellists were: Pam Corkery, Jo Atkinson, Rodney Hide and Bill Ralston. Opinion was divided about the way free-to-air television should be funded, but there seemed agreement that the present arrangement satisfied no-one. Corkery felt 'it was time to circle the wagons around the state broadcaster TVNZ'; Hide prophesied more channels would mean more choice, and Atkinson felt a better system (for funding public service television in New Zealand) would be a (media and communications) industry tax. Many figures were quoted, such as \$300,000 per hour cost of producing local television drama; the annual cost of a UK television licence is \$360 (in New Zealand it is set at \$110); the cost of an 'ad-free' TV1 would be \$150 million annually. Other comments included the view that 'more channels would lead to pluralism not diversity', or, to put it another way 'more crap on more channels'. However, the programme was useful in that it once again demonstrated that the opposing sides of the debate were no nearer consensus on what the objectives of public service television might be, and further away than ever on agreement on suitable solutions, possible sustained funding levels or sources.

What is apparent from these discussions is that the proposal for the sale of TVNZ (arguably since it fails on public service criteria, or that it presents as a commercial business anyway) does not go anyway towards solving the question of whether a commercial-free channel available to all free-to-air is desirable, possible, or practicable? Once it's sold - it's gone. After it is privatised, not only is any debate pointless, but TVNZ becomes no longer the centre of the debate. The new owners would have an even greater commercial imperative based on market-driven economics and a need to satisfy its majority stakeholders - advertisers and shareholders. Those who still desired a free-to-air public service channel would have to seek alternative state funding (similar to the current proposals for the formation of a Maori television channel). It would then be some years before their dream of public service television in New Zealand could become a reality.

Upon his visit to New Zealand in mid-1998, the US academic Robert McChesney was extremely critical of state-owned television in New Zealand. He commented: 'TV1 and TV2 take neo-liberalism to new levels ... it's astonishing' (Revington, 1998, p. 22). His view is that neo-liberalism is the main cause for the decline of public broadcasting and states that 'a vibrant, informed society cannot rely on commercial media to keep it informed or stimulated' (ibid.). He suggests that 'a nation of apathetic shop-till-you-drop consumers' is the ultimate aim of a market-driven media, and, conversely, that the enemy of neo-liberalism must be lively, informed, political debate actually taking place. McChesney is critical of corporate media not giving viewers what *they* want, but satisfying only the needs of the advertisers. He sees the commercial media creating conditions where 'relations between people are reduced to a cash nexus. There's no morality and community doesn't exist ... Public broadcasting is crucial because of the importance of TV and radio. They're such a dominant media ...[and] commercially saturated broadcasting is just plain bad for democracy' (ibid.).

In July 1998, the Listener published three more articles which involved the sale issue: Campbell (1998) - interview with Rick Ellis, TVNZ CEO; Welch (1998) - interview with Ian Johnstone, broadcaster; Clifton (1998) - interview with Neil Roberts, TVNZ executive. Each of the interviews traversed familiar ground concerning TVNZ and its future role in state-owned television. The following month, over the weekend of 15/16 August 1998, the coalition Government split asunder and the country was left with a National minority government. The coalition agreement, and any safeguards in respect of the status of TVNZ as a strategic asset, became null and void. Four weeks later, on 23-9-98, the Treasury scoping report on the value of TVNZ as a state asset was released for public information and scrutiny.

4.5 TVNZ Scoping Report - May 1998

The Treasury report, marked strictly confidential, was made public in a partially edited form with parts of the text deleted for reasons of commercial sensitivity. This thesis considers the electronic version made available later. The report's focus is on the cost/benefit assessment of the value of TVNZ if sold or retained. The main options considered are total or partial sale to private interests; part sale by contract; part sale by public float; or, the status quo. The study concentrates on a financial cost/benefit analysis of state ownership, and the perceived change in value if the sale is deferred or abandoned. One of the critical considerations is the present lack of a 'strategic equity partner' - a close financial association with a major global television network - which would provide benefits by way of privileged purchasing opportunities and easy access to overseas programmes, as well as an additional opening for the sale of New Zealand product. Splitting TV1 from TV2 is also seen as affecting the value of TVNZ as asset for sale, since, if it was sold as a complete entity, it would be expected to command a premium price in the global media marketplace, based on its large captive market share.

The report contains details of a range of methodologies for the sale process, all of which are compared on a economic cost/benefit basis, and whether they are financially beneficial or adverse for the Crown (Ord Minnett, p. 118). A suggested timeframe for implementation of the sale is given, with particular reference to the existence of any sale impediments, for instance, the impact of 'Maori expectations', existing broadcasting regulations, and overseas investment criteria implications. Concerns which might be described as 'cultural' are raised in some detail within the report, but mostly as to whether such issues might cause difficulties, act as a risk financially to the Crown, or become impediments to the sale process.

There are statements such as: 'TVNZ is a fully commercial broadcaster and has been since it was established as a State Owned Enterprise in 1988' (ibid., p. 13) - a statement which is not essentially untrue, but nevertheless belies the current place TVNZ occupies in the nation's consciousness as 'their' broadcaster. The authors of the report acknowledge there has been, and remains, much debate concerning the public ownership of TVNZ, but do not believe 'public service broadcasting issues of social welfare and public good' (ibid.) form the major part of such debates. Taking this view enables them to conclude that they 'see no reason why any element of private sector ownership of TVNZ should materially change [present] objectives' (ibid.). Such reasoning appears throughout the report, which becomes less a study of issues than a financial analysis of a course of action already decided.

Cultural matters are centred on the status quo rather than any contestability of argument. This thesis views the impact of private ownership on any residue of public service television which still remains at TVNZ with outright concern. The financial status quo might be retained - but the nature and content (the very culture) of 'our' television screens would change still further.

The 'nature' of the content of the programmes shown by TVNZ is clearly outside the terms of reference of the scoping report, as well might be expected, but, by ignoring the interest of the viewer, the essence of what television is, is ignored. However the authors made their position clear:

The analysis ... does not attempt to establish the appropriate level or content for public service broadcasting. This will always be a matter of individual opinion and taste. Rather, we take the current level of delivery of public service broadcasting as a benchmark and consider whether there might be a reduction in this level if the ownership of TVNZ changed. This approach means that the analysis is independent of the levels of public service broadcasting considered to be appropriate. The analysis considers access to public service broadcasting, but it is not concerned with the quantity. We note, however, that within the current structure there are explicit mechanisms available to increase the amount of public service broadcasting ... these are independent of the ownership of TVNZ (ibid., p. 76, my underlining).

Section 6 of the report (ibid., pp. 76-87) considers public service broadcasting and takes the view that 'aspects of television service that have public benefits are intended to be provided through New Zealand on Air funding' (ibid., p. 77). Although this is extremely questionable when news and current affairs on TVNZ are considered, the statement arises from a far too narrow a view taken of what constitutes public service broadcasting. The report lists national coverage, broadcasting standards, promotion of a national identity, democratic support and supplementary (non-commercial) programming, but makes no acknowledgment of a public sphere or space for debate of issues. It misconstrues the actual effect and practice of New Zealand On Air's method of funding specific programmes, and ignores the reality of the commercial imperative on programme scheduling in prime time. The report's authors have made public service television synonymous with minority interest programming, and this misreads the situation entirely. The report is thus able to centre on the effect of privatisation of TVNZ on cultural identity issues, and reach the conclusion they would be unaffected, since New Zealand On Air would remain intact to 'deliver' public service

objectives. This is notwithstanding that NZOA's submission saw a possibility that selling TVNZ 'would close off unique options to broadcast its material, as there are minority programmes which TV3 will not consider transmitting, almost at any price' (ibid., p. 82). NZOA's concerns were thus dismissed.

In drawing attention to previous debate and discussion (Section 6.3), and the many issues involved in the ongoing television public policy debate, the authors of the report comment:

As we are using current levels of public service broadcasting as a baseline, much of this complexity can be sidestepped. The debate about the quality and quantity of public service broadcasting will and should continue .. it is not central to the question of whether a sale of TVNZ would hinder the delivery of public service broadcasting (ibid., p. 79).

The issue of the existence and intensity of advertising is also swept to one side on the basis that New Zealand television has been supported by advertising revenue almost since its inception, and a sale to private interests would not significantly alter the current situation in this regard. The conclusions reached pertaining to the matters raised in Section 6.0 include the following:

There is little to suggest that a change of ownership of TVNZ would pose a significant threat to the prevailing level of public service broadcasting ... only the delivery of minority special interest programmes is perceived by some interested parties to face any real risk from a sale of TVNZ ... However we believe there is no compelling argument to suggest that minority special interest programmes will be directly affected by a sale ...

Some members of the public are concerned about possible risks from the lack of a 'flagship' channel to provide an authoritative government communication vehicle in times of national stress. This seems to us to be of limited concern today, and ownership of TVNZ of little relevance to the issue ...

[within] the existing structure of broadcasting ... NZOA was to provide the public policy driven broadcasting content. Our investigation has shown that this has largely come to pass ...

The intervention model via NZOA relies on public funding to purchase programmes ... In our view change in TVNZ's business strategy might make these arrangements less effective ... [but] It is

a risk inherent in the broadcasting industry structure and is unaffected by ownership (ibid., p. 87).

Chapter Five will concentrate on public service broadcasting in Australia where another industry report was commissioned by the Federal Government. That study, often referred to as the Mansfield Report, had vastly different terms of reference and overwhelming public input; the author reached entirely different conclusions about state ownership of television, the value of public broadcasting, and the importance of television content to its audience, than did the TVNZ Treasury report.

What becomes apparent from both the financial detail and the collection of diverse views recorded here, is that whilst it is one thing to criticise the current performance of TVNZ on the socio/cultural level, it is an entirely different matter when looking at financial performance alone. TVNZ, under the present structure, is well managed and extremely profitable. It simply is not, in the view of those who *are* concerned, doing what it should be doing very well: it is not offering a public service to the public it serves. When asked the reason why, it seems the answer is that we cannot afford to do otherwise. However, there must always be alternatives, and this thesis now considers how public broadcasting is managed in Australia, and then goes on to look at what might be possible in New Zealand.

Chapter Five

5.1 Australia and Public Broadcasting: The ABC

The state-owned, publicly-funded Australian Broadcasting Corporation (ABC) has recently faced a review of its structure, functions and funding. The external review, undertaken at the request of the Australian Government, occurred at a time when the ABC itself 'had to reposition itself to take account of a media environment characterised by new media forms and converging technologies' (ABC Annual Report 1996-97, p. 11). The Mansfield Review called for and studied public submissions about the current performance and future role of the ABC. Mansfield enthused: 'I was overwhelmed by the response to my call for public submissions. The fact that 10,615 individuals, groups and organisations chose to put their views in writing indicates the strength of feeling many Australians have concerning the value of the ABC. Most private companies would envy the passion and loyalty which characterises the relationship of the ABC with its audience - it is clearly a special relationship' (ibid., p. 10). To appreciate how this 'value' arose, requires a brief contextual history of the ABC, for the current operations and functions of the ABC owe much to the far-sighted and thoughtful policy decisions made by its guardians in the years following its formation.

Whilst writing of the experience of Australia, the differences in geographical space, larger population, and multicultural mix are acknowledged. Considerable thought was given to using comparisons with smaller countries both in size and population. Another option was to look in detail a single city in Australia, say Melbourne, where the number of people in the television audience was roughly the same. The decision was made to concentrate on television structure, and ABC (and to a lesser extent, SBS), as a public service broadcaster funded by government vote, became important as an example of a successful broadcaster with considerable public support. It seemed that widespread public support was not wholly enjoyed by TVNZ in New Zealand (for many and varied reasons), and the differences between the state broadcasters could be useful in understanding why this might be, and what this might mean when considering alternatives.

Television broadcasting was introduced to Australia in 1956, four years earlier than in New Zealand. Moran (1989) has written of three stages of Australian television, viz: from 1956 to 1965; 1965 to 1975/6; and 1975 to the present (pp. 1-14). The first stage saw the development of commercial networks arising out of the main metropolitan centres, and single ABC

television stations, seen merely as extensions to ABC radio stations, were set up across the country. At this early stage, the ABC (the Australian Broadcasting Commission as it was then) modelled its role as an imitation and reflection of the BBC in England - a leading prototype with its quality one-off dramas and current affairs programmes such as *Panorama*. At the time the overall content and 'flavour' of the ABC did not differ markedly from the NZBS/NZBC, although its local content programming totally reflected Australian tastes, identity and culture - as might well be expected. The next ten years from 1965 marked a rapid increase in the number of competing commercial channels, often based on stations which were geographically some distance apart, with the result that there was insufficient 'good quality' imported programme product to spread around.

Scarcity of programming forced commercial television to invest in more local content, and, about the same time, a quota system for Australian produced content was introduced. As Moran (1989) records: 'in 1972 it stood at 50% during the hours of 6-10 pm, and in 1973 the [Control] Board introduced a points system ... [the points alone] did not bring about a big upsurge in Australian television production ... But they did set a minimum threshold for the scheduling of local productions ...' (p. 8).

The ABC has been subject to regulatory controls by way of successive charters enshrined within parliamentary legislation. The ABC Act of 1973 required it to 'provide within Australia innovative and comprehensive broadcasting and television services of a high standard [which includes] programmes ... that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of the Australian community ...' (Section 6 [1] a, quoted in Cunningham & Jacka, 1996, p. 57). Comparing these objectives with those contained within the New Zealand Broadcasting Act of 1976 (as set out in Chapter Three) there are notable similarities of intent. New Zealand, however, has not adopted a charter which sets out *for public consideration* the role of their state broadcaster. This seems to be a startling omission, one which has led to a lack of public consultation about its role.

The third stage defined by Moran has culminated in bringing structural changes to the ABC. It had grown 'layer-like' in the ten years between 1976 and 1986, and was completely vertically integrated until the late 1980s with most of its production initiated, financed and produced 'in-house' (Cunningham & Jacka, 1996, p. 76). The economic recession of the 1970s and onwards in Australia forced successive governments to cut the budget under which the ABC operated (Moran, 1989, p. 10; Craik & Davis, 1995, p. 118). Under legislation, the ABC has always been required to be both a

broadcaster and a major producer of programmes, and it continues to be financed to do this by way of a direct government grant (Barker, 1997, pp. 34-5). Funding cuts continued into the 1980s and the ABC came under pressure to deliver the same range, diversity and standard of programmes that it had become well-known for delivering:

By the 1980s, therefore, the ABC faced questions about its role, funding and future in a changing communications industry. Most importantly, it faced governments with new and radical beliefs about management of the State, keen to unload many public sector activities and to rely instead on markets ... The search for economic efficiency became the dominant motif of governments, regardless of political party (Craig & Davis, 1995, p. 119).

As can be seen, the experience of the state-owned national broadcasters in both Australia and New Zealand was decidedly parallel during this time (although in New Zealand the BCNZ/TVNZ had for some time been financed partly by advertising revenue, and, to overcome the effect of state-funding revenue stagnation, the networks in New Zealand sought to markedly increase the percentage of funding gained from advertising, which, to an extent, was easily able to be achieved by increasing the frequency and duration of advertising breaks). The ABC had no such alternative open to it and therefore, to fit inside its reduced funding allocation, it had to restructure its operation, and redefine its goals.

The ABC was 'helped' along the way by a government inquiry headed by a businessman, Alan Dix, whose report - *The ABC in Review: National Broadcasting in the 1980s* (1981) - 'recommended the ABC be corporatised to make it smaller, more efficient and clearer about its role' (Craig & Davis, 1995, p. 120). Dix clearly saw a need for the organisation to save money - to be more cost-effective - and after the report came legislation which provided for a charter, a charter which took into account most of Dix's concerns. Though, as Craig & Davis record, the *Australian Broadcasting Corporation Act 1983* provided a Charter with detailed objectives, some of which were in no way financial in their thrust or intent:

- be identifiably Australian, developing and enriching a sense of Australian culture, which reflects the aspirations and talents of all Australians;
- be a distinctive and independent alternative to the commercial and community broadcasting sectors, extending a wider range of high quality and innovative services to rural and remote

Australia, to the cities and to specialist and minority audiences, across all age groups;

- provide Australians with the best, most reliable and independent coverage and analysis of contemporary issues, ideas, and international, national and regional events. (ibid., pp. 120-1).

Inevitably, such aims come into tension with cost-effective financial control, and good intentions become subordinate to the need to balance the overall fiscal budget. When funding stagnates through lack of government will to spend, cultural objectives contained within the legislation still remain and should not be overlooked. Consequently, cut off from seeking revenue from direct advertising or sponsorship, the ABC needed to manoeuvre around the lack of funding growth and implement strategies which ensured cultural imperatives were not forgotten. A drive to at least double the output of new drama saw new initiatives towards the 'popular' end of drama production, with longer running series and mini-series developed in co-production ventures with other local producers. The financial cost per hour of production to ABC became less, and the amount of local Australian content rose from 38 hours per year in 1986, to close to 100 hours in 1988 (Cunningham & Jacka, 1996, p. 77).

The appointment of David Hill in 1986 (first as Chairman, then Managing Director) to oversee the change necessary to bring about an ABC which could live within its new budgets was crucial, and, as Craik & Davis (1995) observe, 'Hill initiated a radical and continuing programme of organisational change ... Hill's legacy [he left in 1995] was mixed. There was no doubt that his vision and style achieved massive changes in every sphere of the ABC's operations. In financial, audience, organisational and programming terms, Hill's tenure was a success. But he failed to carry the staff and commentators with him' (pp. 122-3). His programme of restructuring was alienating - over 1500 ABC staff, almost 20% of the workforce, lost their jobs between 1988 and 1993 (ibid., p. 122). It would have been understandable if audience satisfaction with the ABC had also dropped. However, this did not happen and Hill himself attributed this to 'an emphasis on Australian programming, an increase in information-based programming, and an increase on quality programming' (Hill, quoted in Craik & Davis, 1995, p. 125). Hill is supported in this by Barker (1997) who records that the ABC adopted a relative successful strategy 'after a period of financial stringency and falling ratings ... This strategy has crucially involved a deliberate policy of producing Australian drama about Australian issues in an Australian context while attempting to retain high production values' (pp.

36-7). Not that it should be forgotten that the implementation of the Dix reforms, and the subsequent restructuring by Hill, came with a perception (possibly no more than that) of a downturn in the performance of the ABC during the decade of the 1980s; however, the reforms moved the Corporation on from being perceived as insular and lacking popular appeal. It moved from acting mainly as an in-house producer of 'prestige' one-off dramas (mixed with the best of similar from the BBC) to being seen as a producer of far more popular programming, often as a result of cooperation with both national and international production companies (Bonner, 1997, pp. 249-50).

More recently, the ABC has sought to safeguard its interests against the onslaught from cable and digital technological forays of commercial companies into both television production and network provision. It wishes to participate in both, notwithstanding the very real risks to future governments in their inability to avoid on-going escalating funding costs for the ABC. Provisional agreement was reached for the ABC to be allocated two channels 'on a new digital compression satellite pay TV service' (Craik & Davis, 1995, p. 126). The problem foreseen by commentators was the potential influence that new commercial practices might have on the ABC - still a fully-funded free-to-air state-owned broadcaster. As Craik & Davis suggest, politicians could be 'tempted to cut ABC funding in proportion to the success of pay TV' (ibid.). This, in social terms, is often referred to as a 'poverty trap' - for, as income from other sources rises, the funding supply from the government correspondingly diminishes. This, in effect, is what happened to TVNZ in New Zealand during the same period.

5.2 The Current Structure and Performance of the ABC

The present Managing Director, Brian Johns, was appointed on 17 March 1995 to serve for 5 years. In his first full financial year (30 June 1995 to 30 June 1996) the revenue contributed by the Government to finance the ABC was almost A\$600 million (ABC Annual Report, 1995-6). On 16 July 1996 the Government announced a 2% (A\$10.8 million) permanent funding cut which applied, in the first instance, to the 1996-97 financial year (already underway). At the same time the government foreshadowed a further permanent annual cut of A\$55 million, to take effect on 30 June 1997 (ibid., p. 9). An internal strategy, known as 'Reshaping the ABC', which aimed to restructure the organisation had commenced early in 1996 across all operational areas of the ABC, and notification of further severe funding cuts made the exercise even more critical. To place these cuts in perspective, it is helpful to record that the total operating revenue for the 1995-96 year obtained from sources *other than* Government funding was A\$138,688,000,

resulting in a surplus of revenue over expenses of just over A\$33 million. Clearly the forthcoming cuts would place pressure on operational viability - and that is exactly what occurred.

In the subsequent 1996-97 Annual Report, the Directors record 'a year of momentous change for the ABC' (p. 10). The rationale for some of these changes are recorded:

This year the ABC Board and management embarked on a far reaching review of activities culminating in major initiatives to restructure the Corporation ... The ABC's new organisation structure, referred to as One ABC, allows the Corporation to focus its energies more clearly on what it does best - the making and delivery of quality programme content for use across the electronic media ... The ABC has more clearly differentiated its role as a producer and broadcaster ... The Government ... announced it would reduce its financial commitment to public broadcasting and sought independent advice on the Corporation ... When Mr Mansfield presented his report in January, he reaffirmed the importance of the ABC in the evolving multi-channel environment: 'There is little evidence that the market will provide the breadth and mix of services offered by the ABC on a national basis (*ibid.*, p. 1).

In May 1997, the cuts to funding caused the announcement that staffing needed to be reduced by a further 700, along with necessary changes to programme line-ups (*ibid.*, p. 3). This was mainly due to the previously notified cut of A\$55 million which took effect on 1 July 1997. Government funding had already fallen from A\$597,736,000 (1995-96) to A\$588,112,000 (1996-97, and the operating surplus fell by A\$20 million to A\$13 million (*ibid.*, p. 76).

It is not the aim of this thesis to consider whether the funding cuts and the succeeding restructuring had a measurable effect on either the quality or quantity of subsequent programming of the ABC, though others better placed may yet look in detail at the question. What the cuts do illustrate, however, is the degree to which the economic well-being of the nation - and the continuing stability of the political process - directly affect the continuity of and fluctuations in funding so often experienced by those responsible for producing public service television. An ABC broadcaster, Robin Williams, had this to say:

We were fragile already, and when the latest cuts hit, it meant that many functions simply stopped, many people were broken and lots of fine broadcasters left. We've lost I don't know how many

people, 20% of our staff, and I would imagine that's millions and millions of dollars worth of heritage, of skills, expertise, knowledge. One of the most worrying things for me, though, is that I can feel myself beginning to make mediocre programmes. (Transcript from an interview broadcast on TVNZ's *Backch@t*, Harcourt, 1998b)

At times of fiscal restraint or political change funding levels will fluctuate, and public service broadcasters, as clearly shown by the ABC experience, must be aware of the need to adjust accordingly, since, in reality, they have little choice if they wish to preserve the very essence of their service. Staffing levels at the ABC, referred to by Williams above, are certainly one important indicator of the health of an organisation, but they can be read two ways. Reducing staff can assist a re-focussing on what is core business, and, as mentioned earlier, the ABC had grown 'layer-like' adding level upon level as new opportunities arose (notwithstanding the slowing effect of the first restructure in the mid 1980s). Staff levels at the ABC have continued to move downward in succeeding years since 1995, as the published details show: 1994-95 5437; 1995-96 5343; 1996-97 4887 (ABC Annual Reports, 1995-96; 1996-7).

Earlier, reference was made to the idea that when public funding stagnates (or reduces) the socio-cultural objectives contained in the controlling legislation of a public broadcaster (generally) remain. This is a basic feature which differentiates a public service broadcaster from the state-owned enterprise model where legislation may require little more than profits (dividends), rather than, or sometimes at the expense of, performance ideals. The current Charter of the ABC is enshrined in the Australian Broadcasting Act 1983, of which part is reproduced below:

6 (1) The functions of the Corporation are -

- (a) to provide within Australia innovative and comprehensive broadcasting services of a high standard as part of the Australian broadcasting system consisting of national, commercial and community sectors, and, without limiting the generality of the foregoing, to provide -
 - (i) broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community; and
 - (ii) broadcasting programs of an educational nature;
- (b) to transmit to countries outside Australia broadcasting programs of news, current affairs, entertainment and cultural enrichment that will -
 - (i) encourage awareness of Australia and an international understanding of Australian attitudes on world affairs; and
 - (ii) enable Australian citizens living or travelling outside Australia to obtain information about Australian affairs and Australian attitudes on world affairs; and

- (c) to encourage and promote the musical, dramatic and other performing arts in Australia.

6 (2) In the provision by the Corporation of its broadcasting services within Australia -

- (a) the Corporation shall take account of -
 - (i) the broadcasting services provided by the commercial and community sectors of the Australian broadcasting
 - (ii) the standards from time to time determined by the Australian Broadcasting Authority in respect of broadcasting services;
 - (iii) the responsibility of the Corporation as the provider of an independent national broadcasting service to provide a balance between broadcasting programs of wide appeal and specialised broadcasting programs;
 - (iv) the multicultural character of the Australian community; and
 - (v) in connection with the provision of broadcasting programs of an educational nature - the responsibilities of the States in relation to education; and
- (b) the Corporation shall take all such measures, being measures consistent with the obligations of the Corporation under paragraph (a), as, in the opinion of the Board, will be conducive to the full development by the Corporation of suitable broadcasting programs. (ABC Annual Report, 1996-97, front inside cover).

Given that the ABC has been allocated these functions and duties, the Australian Government is obliged (until the Act is altered or repealed) to make provision by way of 'sufficient' funds for these statutory responsibilities to be carried out both efficiently and effectively. The definition of what may be thought to be 'sufficient' is, in parliamentary terms, at the very least, subjective. Notwithstanding, the Board of the ABC cannot overlook or ignore the social provisions included in the governing Charter - even if state funds provided for the corporation stagnate (or drop) as a direct consequence of changes made in Government policy.

The ABC organisational structure, as it currently exists, answers directly to the Federal Parliament through a nine-membered Board of Directors. An ABC executive team of seven oversee the day-to-day operations, and, under the present structure, 'the divisional walls which separated radio and television for 13 years have been dismantled' (*ibid.*, p. 10). ABC-TV operates out of eight centres - at least one in each state - and has over 600 transmission sites; ABC-Radio operates National, Metropolitan and Regional services with nearly 700 transmitters. It is paramount when looking at the high sums involved in the ABC annual budgets to remain aware that ABC has always run both national services in tandem via the one ABC organisation, not forgetting that there are also six regional ABC Symphony Orchestras funded from the current budget. Until recently, ABC also owned and ran two international networks - Radio Australia and Australia Television - both of which have important functions under the governing

Charter; both since have been transferred to the Seven Network effective 1 August 1997, although the ABC will continue to provide material for broadcasting overseas (*ibid.*, p. 4).

The breaking down of the divisional walls between television and radio, and the subsequent restructuring of financial lines of control and expenditure, cause some difficulty when comparisons are attempted between the financial details contained in previous and current Annual Reports. However, operationally, the move brings much more flexibility between the two main broadcasting arms of the Corporation, and also between staff working in both areas. Certainly the ABC Board has a positive spin on the reasons for the merger:

The One ABC restructure brought together for the first time all the ABC's national and international electronic outlets into one portfolio ... thus ensuring a genuinely comprehensive, innovative, quality output nationally which complements local and regional services ... The purpose of drawing these networks together is to focus the organisation on the creation and expression of ideas and program concepts, *rather than on the means of delivery* ... The structural barriers between Television and Radio have been removed and the role of Multimedia greatly enhanced (*ibid.*, p. 27, my emphasis).

The Annual Report again: 'Reuniting Radio and Television News and Current Affairs had a positive impact on the services. There has been a steady increase in output especially in the news services' (*ibid.*, p. 15). The merger of national radio services with the public television provider has merit and should not be dismissed outright, especially if the funding for both emanates from the same source.

The audience details published in the same report relate to data collected from the five cities of Sydney, Melbourne, Brisbane, Adelaide and Perth. The weekly reach to those within these cities hovers around the 72% mark (that is, 72% of people watch ABC-TV at sometime during the week), and the 6pm to midnight (evening viewing) share in the same group of cities averaged 15% of all those available to watch. The relevant figure in 1991 was 12.7%. Since the ABC is not in the business of selling audiences to advertisers, the audience figures collected are not used simply as ratings statistics for commercial decisions. The question of a suitable minimum percentage of viewers who will watch public service television services such as ABC-TV (that is, an essential minimum for the justification of providing the service) needs to be seriously considered. For if ABC-TV maintains an average viewership of, say, between 12% and 16%, does this mean the

service automatically remains viable? Must it always enjoy a reach of between 70% and 90% to enable funding levels to remain unquestioned and government guaranteed? What is the position when the overall audience figures, for whatever reason, drop below established levels?

Arguably, the ABC is doing extremely well at present, and is very much supported by its public (as evidenced by the massive volume and enthusiastic nature of the public submissions received in the course of the 1996 Mansfield review). The overwhelming public endorsement ABC received ensured that public broadcasting in Australia continued much in its present form, but the wide terms of reference allowed considerable public input to be gathered and analysed.

5.3 The Mansfield Review

Considerable re-structuring of the ABC had already occurred prior to Bob Mansfield's appointment in mid-1986, and the results have already been detailed. However, the thoroughness of Mansfield's report, and its relevance to the New Zealand debate, is such that it is helpful to record some of the findings, together with certain of the recommendations. There were a total of nineteen recommendations in the final report. The Government received the full report within six months of Mansfield's initial appointment, a considerable achievement and one to bear in mind should similar research be commissioned in New Zealand in respect of TVNZ.

At the outset, a media release was issued (16 July 1996) from the Minister for Communications and the Arts advising that 'public submissions to the Review would be sought shortly' (Mansfield, 1997, p. 48). The terms of reference called for, *inter alia*, recommendations to the Government on:

- (a) the future role and functions of the ABC; and
- (b) the type of services and activities envisaged by this role and [these] functions ...
[with] particular regard to the need for:
 - (a) independent news and current affairs services which are accurate, impartial and comprehensive;
 - (b) high quality information and entertainment services which contribute to a sense of national identity; and
 - (c) services which fulfil the needs of rural and remote communities, children and other significant groups not well served by other broadcasting services ...

Initially, Mansfield considered the Dix enquiry of 1981, and from it isolated a number of relevant recommendations made at that time which had not been acted upon. Most were structural, but an important theme Mansfield seized upon was the need for 'a primary function based on broadcasting' (*ibid.*, p. 4). He then proceeded to set out fundamentals upon which to base a comprehensive framework within which the redefined role and functions

could operate. As much of the review concentrates heavily on matters which are in the main particular to the ABC, and acknowledges the particular nature, size and complexity of the country in which it primarily operates, the remainder of this chapter will look only in detail at those matters which directly impinge on broadcasting in New Zealand.

Two matters resolved at the outset related to advertising and programme content. Mansfield was confidently supported by public submissions which ‘strongly oppose the introduction of advertising and sponsorship as a means of financing the ABC ... its introduction would significantly reduce the level of trust people have in the independence and integrity of the ABC’ (ibid., p. 5). In regard to programming ‘the ABC should continue to provide programming across the content spectrum. It is neither feasible nor desirable to restrict the ABC to the role of simply complementing the programming of the commercial [private] sector ... it must continue to have the ability to offer a wide mix of programming that both informs and entertains’ (ibid.).

A movement away from making (producing) the major part of its scheduling was signalled by reference to increased outsourcing of programmes:

The ABC should reposition itself as a programme *generator* for television rather than necessarily a programme *maker* - other than in news and current affairs ... and ... specialist programming. Where programmes can be made externally (eg drama and documentaries) this should be encouraged. Television production should be outsourced to the maximum degree possible (ibid., p. 6, original emphasis).

ABC management and major financial restructuring was already underway at ABC, and Mansfield approved the thrust of the changes. In regard to Government funding, however, the report made several clear recommendations:

... that the Government:

- gives the ABC long-term funding certainty - reinstating triennial funding from 1 July 1997 ...
- enables the ABC to retain programme and transmission savings from the closure of Radio Australia ...
- ... considers the need to provide a modest one-off grant towards the end of the century to assist the ABC’s digital upgrade (ibid., pp. 7-8).

A significant number of the recommendations looked for a stronger focus on certain services (regional and cultural diversity; services to children and to

youth; use of creative resources within Australia), and Mansfield saw the best way to achieve these goals was by re-drafting the established ABC Charter. This would effectively reposition the organisation within its operating environment. It already had a strong emphasis on news and current affairs, and this was to continue with impartiality and balance re-established as a main priority for the organisation (*ibid.*).

Mansfield's proposed new Charter is set out in full below, and aspects of Australian cultural expression and local content are central to its rewording. The new draft attempts to create specific links between the ABC's cultural role and its broadcasting function, and to place a specific obligation on the ABC in relation to the broadcast of material promoting Australian cultural expression. Mansfield's strong support for outsourcing is backed by his belief that this will draw in talent from the wider creative community within Australia, without them having to be employed in the strict sense as direct employees of ABC. Many public submissions called for the introduction for ABC of a direct quota system which specified percentages across genres, but Mansfield did not agree, on balance, with such a regime. His view was that the ABC Board was in the best position to ensure that the company discharged its responsibilities in this area; he thought that a strict quota system can cause distortions in productive output, and be financially restrictive for certain types of programmes, for instance, sports coverage where procurement costs are becoming burdensome to free-to-air broadcasters (*ibid.*, p. 27).

The revised Charter as proposed by the review:

1. The principal function of the ABC is to broadcast, for all Australians, programmes of information and entertainment for general reception within Australia.
2. In undertaking its principal function the ABC must:
 - (a) maintain an independent service for the broadcasting of comprehensive, accurate and impartial programmes of news and current affairs regarding events in Australia and overseas; and
 - (b) broadcast programmes which:
 - (i) contribute to public debate concerning issues and matters of importance to Australians;
 - (ii) respond to the needs of audiences for locally based news, information and entertainment;
 - (iii) reflect Australia's regional and cultural diversity;
 - (iv) meet the developmental and entertainment needs of Australian children and youth; and
 - (v) make use of Australia's creative resources.
3. In providing broadcasting services within Australia, the ABC must contribute towards the diversity of broadcasting services in Australia.
4. The ABC may also, as subsidiary functions:
 - (a) transmit broadcasting programmes outside Australia;

- (b) operate symphony orchestras under such terms, if any, agreed to by the relevant Minister; and
- (c) provide broadcasting services other than for general reception (*ibid.*, p. 31).

Volume Two of the two-part report is a detailed analysis of the submission process and the 10,615 submissions received. A total of 36.4% of respondents opposed the introduction of advertising to ABC. Furthermore, 20.1% indicated that they consider ABC's services to be of a higher quality than those offered by commercial (private) media (and it is important to understand here that it is the service quality which is being identified rather than necessarily programme content quality). A total of 13.4% (over 1400) respondents considered that the ABC contributes to or embodies Australians' sense of national identity (*ibid.*, pp. 10-1). The volume of respondents gave Mansfield a great deal of subjective material on which to base and present his findings, and the use of representative extracts illustrated the findings and subsequent analysis. The submission process was described in detail, and the entire list of submitters appeared, along with their addresses.

With over A\$500,000 annual funding at stake, such a comprehensive review of the role and functions of the ABC was entirely justified, given the Government's move to reduce the level of funding to the organisation. Mansfield concludes his report with the observation: 'It is now for the Government and the ABC to consider the need for action' (*ibid.*, p. 8).

5.4 Australian Culture and the SBS

Whilst the ABC had its origins in the BBC public broadcasting service, the Special Broadcasting service (SBS) grew out of a group of ethnic radio stations formed to promote Australia as being a multicultural society with a significant population of migrants from non-English speaking countries. An ethnic television service had been an election promise by Malcolm Fraser, then Prime Minister, during the Federal election campaign of 1977 (Jacka & Johnson, 1998, p. 218). Its struggle from its establishment as a national television network in 1980 to its present form has been marked by confusion and controversy, much of which has been recorded in considerable detail by Jakubowicz & Newell (1995, pp. 130-46). At the time of starting up its television operations it became Australia's fifth terrestrial channel (Davis, 1995, p. 16), transmitting only in Sydney and Melbourne and financed by tax-payer funding. It expanded throughout the 1980s, becoming the target along the way of much government attention and indecision. A proposal to merge its operations with the ABC was quashed by the government in 1987. By the early 1990s SBS broadcasted mainly foreign-produced programmes

and had a small proportion of the total Australian viewing audience, generally less than 2% (Jones, 1991, p. 25).

In December 1991 the Government finally passed the Special Broadcasting Service Corporation Act setting up an independent broadcasting body (Jakubowicz & Newell, 1995, p. 137). It was given a Charter which included the aims that the SBS service must:

meet the communication needs of Australia's multicultural society ...and reflect the changing nature of Australian society, by presenting many points of view and using innovative forms of expression ... [and] The Board was charged to maintain the independence and integrity of SBS (ibid.).

The long discussed matter of advertising and sponsorship was resolved in 1992 when the Board, under the executive direction of Brian Johns, finally agreed to accept both. The procuring of alternative funding in this way had been previously rejected in 1986, since 'The Board at that time had been adamant in its rejection of advertising, concerned that on the one hand advertising revenue would allow Treasury to reduce funds to the organisation in direct proportion to the income generated, while on the other that advertising dollars would drive programming towards television which could maximise audiences rather than meet social needs across language groups' (ibid.). Both these concerns are familiar enough, but by the end of 1992 the SBS had an annual tax-payer funding of around A\$60 million, A\$3 million from marketing revenue, A\$1.5 million from sponsorship/advertising - and faced interest payments on a A\$49 million loan taken out to finance their facility expansion at Artarmon (ibid.). The advertising was agreed to subject to being limited to the spaces between programmes only (Jacka & Johnson, 1998, p. 222).

The original *raison d'être* of SBS was to be innovative, multicultural and multilingual (Cunningham, 1993, p. 34). Its 1991 Act stated aims similar to the ABC Act, but the emphasis was quite different, its purpose being to 'provide multilingual and multicultural radio and television services that inform, educate and entertain all Australians, and in doing so, reflect Australia's multicultural society (Section 6(1)) and in doing so to make use of Australia's diverse creative resources (Section 6(2)(f))' (Cunningham & Jacka, 1996, p. 57; also Collins, 1994, p. 12). Whereas the ABC was to reflect and develop the cultural aspects of Australian *national identity*, the SBS was charged with reflecting the *multicultural diversity* of Australian society. At first glance both these distinctions seem to converge, but SBS opens up more to the 'internationalisation' of Australia, and the multiracial origin of its people. SBS's programming offers minority appeal which is

ethnic based. This is best described by the binary 'opposition' of cultural 'difference' and 'sameness' (national identity), discussed in Chapter Two. The SBS scheduling includes 'mainstream' material alongside programmes which feature and promote understanding of the culture and language of minority ethnic groups resident in Australia. Moran (1989) records that much of the early programming sourced by SBS was from 'the major non-English television production and distribution centres ... [and contained] such ingredients as art film, soccer broadcasts, Greek variety shows, Chinese cooking programmes and Latin American soap operas in varying amounts' (p. 10).

This theme of internationalisation is taken up by Cunningham & Jacka (1996) in looking at the effects of trade within global media products (pp. 245-53). They suggest that embracing globalisation means that you look to areas where you can expand trade and at the same time provide for those cultural and ethnic differences within the country. For instance, with Australia's growing population including 'six to seven per cent (or about 1 million first or second generation)' from Asian countries, it is not hard to make a connection with the significant quantity of Asian audiovisual import, 'mainly in the form of Hong Kong movies and videos, other Chinese-language material, and SBS imports' (ibid. p. 250). They also remind us that Australian broadcasting policy has always been based on the central *cultural* rationale of ensuring that Australians see themselves, their lives and society, reflected on their screens in reasonable amounts, and that this reflection take account of the pluralist nature of [Australian] society' (ibid., author's emphasis). From this standpoint comes the 'perfectly reasonable assumption behind the importation by the SBS of a wide range of non-Anglo television material that speaks to the growing multicultural complexion of Australian society ...' (ibid.).

The SBS, although greatly affected by political interference and indecision from time to time (not so much related to content, but direction), has been influential in several ways. Jakubowicz & Newell (1995) believe it has had an effect on the internationalisation on news and current affairs within Australia, which brought about a 'desensitisation' of Australian audiences to English-subtitled material broadcast in original languages; it also popularised soccer in Australia and promoted other minority sports not wholly supported by other broadcasters (pp. 142-3).

The early divisions surrounding SBS lay squarely in the area of ethnic diversity and multicultural broadcasting. Jacka & Johnson (1998) write of it being a dispute between, on the one side, the ethnic communities and an enhanced recognition of their political importance and cultural legitimacy,

with the other side seeing multiculturalism and SBS as socially divisive, and with left-wing and other critics believing it had drifted too far towards middle-class tastes for European movies and specialist arts programmes (p. 218). From 1991, the SBS became involved in indigenous television in Australia. An Aboriginal TV Unit was set up and it promptly 'bought Central Australia Aboriginal Media Association's (CAAMA's) language series *Nganampa Anwernekenke*. This was the first time the SBS had screened an indigenous language series' (Molnar, 1995, p. 167).

As Evans (1988) says 'The Special Broadcasting Service is, in my view, a particularly interesting broadcasting service. It has all the potential to become, in a social and cultural context, one of the most dynamic and significant broadcasters of its kind in the world' (p. 98). Certainly Jacka & Johnson (1998) believe that the SBS has transformed the nature of public service television in Australia, with its policy seeking to build different audiences for different programmes. Apart from language programming, it caters for disadvantaged groups like women, Aboriginal Australians, religious groups, the hearing impaired, gays and lesbians. Arguably, it creates new audiences *across* these groupings, shaping rather than reflecting new forms of social identification (p. 218). It act as a catalyst rather than a passive recorder of social life: 'It has defined public service television as concerned with reflecting and contributing to a new definition of citizenship [in Australia] in which diversity is recognised and valued' (ibid., p. 219). This is how Jakubowicz & Newell (1995) saw the future of SBS in the late 1990s:

The Special Broadcasting Service Corporation is poised now on a difficult undertaking. It has alienated some of its old constituency, the ethnic organisations which fought for its independence and survival in the 1980s, by moving to a more market-focussed perspective in the 1990s. Its relationship to the survival and development of ethnic cultures in Australia, always a complex and dangerous exercise, has been complicated by the resurgence of ethnic politics, particularly in the wake of upheavals in Eastern Europe. Australian domestic political visions of harmonious multiculturalism have been challenged by new political alignments, economic restructuring, and issues of ethnic and religious self-determination ... The challenge remains that of responding to the broad coalition of clients, developing new support and meeting the objectives of multiculturalism which a significant part of its audience desires (p. 144).

5.5 Australian Public Service Television: Realistic Choices?

At the start of the current decade, Kim Beazley (then Australian Minister of Transport and communications) gave an address which outlined his Government's views on broadcasting:

... general objectives for the broadcasting industry [are] encouraging the development of a responsive, efficient, vigorous and viable industry which promotes quality and diversity of services to the Australian public, and operates with the minimum of regulation necessary to achieve these aims. In the commercial sector, we believe these objectives are supported by diversity of ownership and by competition between service providers.

[later] Broadcasting plays a central role in sustaining and developing Australian cultural life. It is a powerful force in shaping a nation's identity and maintaining a democratic and pluralist society. Television and radio are an important part of most people's lives.

(Speech to the Annual convention of the Federation of Australian Broadcasters, as cited in Collins, 1994, pp 14 & 16).

Collins (1994) then reminds us that Australia has a long record of specifically defining the goals and objectives for its broadcasting system, both for public and private ownership, and that a level of consensus on policy has prevailed, in particular for 'universal service, Australian content and control, economic viability and diversity of control and content ...' (p. 17). There is, he suggests, considerable tension between the aim of providing universal service and maintaining economic viability, and, to some extent the problem is magnified by the plurality of channels: 'There is probably too much television in Australia; 17 million people is too small a population base to sustain a five-channel system which satisfies all the [legislative] requirements ...' (ibid., p. 19). Aspects of national content regulation (the quota points system) requires balance, but Collins observes that:

Too much imported material may mean the loss (or non-development) of capacity to produce any indigenous programmes and a consequential waste of resources, including human resources. *Too little* imported material may mean that the resources available for indigenous production are spread too thinly, and indigenous producers are neither able to specialise in particular programme types or ranges, nor to make programmes

which meet internationally competitive production standards (*ibid.*, pp. 22-3, author's italics).

In conclusion, Collins puts forward the view that Australia faces two choices, either 'further integration of Australian broadcasting into the international market or continued Australian refusal of inflows of foreign capital, aka foreign ownership' [of predominantly commercial channels] ... but this is not a problem unique in any way to Australia 'for everywhere the structural problems of reconciling three rival factors, plurality of channels, audience demand for high-cost programming and limited revenues to fund broadcasting, pertain ... and depend , of course, on the balance of political power in a specific instance [and time ...] (*ibid.*, p. 25).

These views were promulgated in an article written and published in the early 1990s, and the opportunities and risks consequent on digitalisation and niche-channel marketing were neither so much in evidence nor pressing. Such developments are now upon us and will impinge on Australian broadcasting policy in the present and immediate future.

Chapter Six

6.1 A Plan for the Future: Changing Attitudes

In each of the preceding chapters this thesis has asked questions concerning the significance of television in our lives, how we have adapted it for our own particular purposes, and whether in New Zealand it is being used to its ultimate potential. This chapter now sets those observations to bear on a proposal for partial structural reform of television in New Zealand. Television now reaches almost all of us in some form - simply because it's everywhere. What is changing though is its nature. Technological developments have altered its capabilities, but, almost simultaneously, its audiences have found new ways to use it which stretch the three oft-quoted functions - inform, educate and entertain - beyond their original paradigm. Television is now part of what we *do* as a society; as Hartley in his original and timely book *Uses of Television* (1999) remarks, there is a need to study television from a perspective of what is television for, that is, what are its uses, rather than a simple account of what it displays for the viewer in the form of individual programmes. Hartley suggests that 'television is *transmodern* - it spans, transcends and conjoins modern, pre- and postmodern aspects of contemporary life; specifically by using oral, domestic discourses to teach vast, unknowable 'lay' audiences modes of 'citizenship' and self-knowledge based on culture and identity within a virtualised community of unparalleled size and diversity' (ibid., p. 41). And so it might. But if it can be said that we 'do' television rather than simply sit and watch it, then we do not all do it the same way. No longer do viewers necessarily watch the same programmes as each other; the number and choice of channels available and the use of video recorders and satellite dishes mean that viewing patterns are often independent and anarchic. Rarely is a solitary programme viewed uninterrupted from beginning to end with the intensity of attention that an artist might give to 'doing' a portrait or landscape, or a jewel-cutter to a diamond. The experience now is mostly fragmented, and often no longer the shared experience it once was.

Notwithstanding, television (as canvassed in Chapter One) remains a mass communications medium of unique power and influence. Its role in the cultural and social, political and economic life of New Zealanders is influential in the formation of opinions, attitudes, and ideas of self-identity. It plays a significant part in informing New Zealanders about their country, their lives and their shared experiences. Most of all it informs them about their future, and about their past. What it is important not to forget, however, is that though the messages sent out may be contextualised in certain ways,

their reception is not uniform but mediated. Messages are mediated by the medium itself, and by the personal situation and lived experience of the recipient, and by the mode of reception employed. Nevertheless, the importance of television remains in its unique ability to **reach** people at a high level of cognisance and influence. For this reason, this thesis holds that content having a broad diversity of views, with access, balance and fairness, should exist across the medium's spectrum for the express purpose of contributing to the well-being of all who live together as New Zealanders.

The safe-keeping and well-being of citizens living within a sovereign state is the particular responsibility of the elected Government - in a democratic society. In Chapter Two the effects of cultural and economic globalisation were studied, along with the concepts of national and cultural identities. The implications for nation-states include the more recent threat of 'deterritorialisation' - the splitting up or transformation of 'the relationship between the *places* we inhabit and our cultural practices, experiences and identities' (Tomlinson, 1999, p. 106, author's italics). This experience impacts on the degree of sovereign control exercised by separate nation-states within the western democratic system. Globalised media products (particularly imported television material) encourage deterritorialisation through their global nature, creating a slippage in self-identity and a potential loss of sovereignty - mainly in response to political-economic pressures, but also through cultural assimilation brought about through the hegemonic pressures of international cultural media flows.

This can be in direct opposition to an elected Government's mandated role. The citizenry expect a responsible Government to govern in the public's wider interest, subject to its elected mandate. But it also has a responsibility to be cautious in times when the (cultural) sovereignty of a nation-state could be threatened (even if through 'peaceful' change). Where such a consequence seems possible, the contestable issues involved should be opened up and public debate encouraged. Over the past decade, New Zealand governments have not encouraged open debate over media-related cultural matters, articulating them mostly in terms of (economic) cost. The effect has been a lessening of the cultural and democratic roles of state-owned media, particularly TVNZ. As pointed out in Chapter Four, this is primarily due to the current structure where matters of profits and dividends of state-owned enterprises dominate over (lesser) social and cultural roles. The 'internationalisation' of media products primarily supports global economic trade, the result of which broadcasters in small nation-states such as New Zealand find irresistible when looking to gain economic advantage through international strategic partnerships. The issue being ignored here is that a state-owned television broadcaster like TVNZ should have a wider

role promoting, reflecting and developing New Zealand's national and cultural identities, and protecting the uniqueness and diversity of its people. These aspects are, of course, highly contestable, but, as a state-owned provider, TVNZ should be intensely involved in the process of articulation and development of such matters as part of their core programming. As shown in Chapter Five, the ABC, aided by the SBS, has shouldered the role and responsibility for all Australians, and the Australian public has responded and supported the effort financially to the extent of at least A\$500,000 annually.

What is required now in New Zealand is political will and commitment to what might be termed 'social insurance'. The essence of insurance is cost-sharing; that by all contributing equally (via a central fund - for example the Government's Consolidated Fund) New Zealand is able to put in place social and public 'benefits' not affordable by individuals on their own. By making public broadcasting an acknowledged social benefit funded through a social insurance mechanism, it achieves a value in the marketplace alongside (good) health, education, welfare, and other social services. Living together in a social democracy means that benefits (public goods) are provided by those who can afford to contribute on behalf of those who cannot - why else do we live together as a community? Why is it that we have National Parks, public walkways, or even public libraries? This study suggests a lone, free-to-air, state-owned, partially advert-free, national broadcast provider (free of commercial objectives) could become a central 'core' (see Curran's model earlier, pp. 16-17) around which a pluralistic broadcasting media - **offering a real choice in types of programming** - could be built in New Zealand.

6.2 A Public Service Channel for New Zealand?

During 1999 certain events have occurred which will affect New Zealand's broadcasting environment. TVNZ has further divested itself of 'non-core' investments by selling its shares in SKY Television Network / Clear Communications for a total of \$196.5 million, with \$70 million of it paid to the New Zealand Government as a special dividend (McNabb, 1999, p. 19). The Budget (20 May) abolished the annual broadcasting fee with effect from 1 July 2000, future intentions being to fund NZOA directly from the Consolidated Fund, the amount (around \$87 million) to equate to the **net** amount currently raised by the annual fee (Vasil, 1999, p. 3). A General Election is to be held prior to the end of 1999, and political parties are redrafting their broadcasting policy in time for the month-long campaign. A variety of proposals can be expected, but it is likely that *debate* on broadcasting policy will remain simplistic, truncated, and focus mostly on

cost at the expense of any consideration of major structural reform. Fortunately, in the area of cultural matters and local quotas, recent debate **has** surfaced, although mainly in the print media so far (Ryan, 1999, p. 8; NZPA, *The Dominion*, 18-6-99, p. 2). Any attempt to reintroduce any type of 'public service television' into New Zealand would involve structural change and increased public funding. There is not the space here for a detailed proposal, but an attempt can be made to describe a practical alternative to what we have at present. It will be based on a single channel structure (using TV1), with TV2 remaining in state ownership.

A single public service channel requires a distinct identity of its own, and TV1 already has this as a result of its traceable history back to the commencement of broadcasting in New Zealand, for, as NZOA point out, TV1 is 'where the majority of the target audience for any public service broadcasting already exists' (NZOA, 1998b, 4.2.11). A public service broadcaster needs to be more than a mechanism for the screening of programme material. At the moment though there is a current trend to see multi-channel television as simply niche providers to segmented audiences (for example, Prime; SKY Movies and News; Discovery, etc.). Broadcasters are governed by the conditions contained within their operating licence, but a public service broadcaster is separated out by its Charter (private providers, TV3 and TV4, have Mission Statements as similar guiding documents). A presence is built 'behind' the camera creating a continuity and community of outlook, a seamless 'flow' which forms a 'network' identity. Via this presence the essence and nature of a Charter is communicated to the audience (through trailers, promotions, etc.) - giving a perceived identity to the channel. It is interesting to note that contained within TVNZ's current 1999 Statement of Corporate Intent are several 'charter-like' provisions dealing with 'social responsibility and community interest' in the form of operating objectives which would fit easily into a public service charter - although ranked in a somewhat different order. The foundation stone of public service television is news and current affairs. Along with this goes the fundamental responsibility of having the ability to produce 'in-house' productions which reflect the requirements of the Charter. This does not mean that a high percentage of material cannot be outsourced (the current trend), but it does mean that resources to make specific types of programmes in-house should be retained to ensure that such programmes *are* made, *and* that they are made in a style and manner which best realises the Charter provisions and purpose of the channel. These matters assume importance in relation to the concepts of identity, sovereignty and globalisation as set out and discussed in Chapter Two.

The present trend in state-owned 'businesses' in New Zealand is to fund them by separating the funding stream from the provider of services (known often as the funder/provider split), and this is currently the case with TVNZ, the funder being NZOA. This is not satisfactory for a public service channel, which needs far more control on the funding of resources to ensure it has the ability to make the programmes it wants, in the way it wants, when it wants. Currently Radio New Zealand receives most of its funding from NZOA - but directly as bulk funding over which the Board has control (mostly) in the allocation to services, personnel and projects, as it sees fit. As documented in Chapter Three, little of TVNZ's public funding through NZOA is received in direct grants. This new shift would see TVNZ (and possibly Radio New Zealand also) receiving direct funding grants from government votes similar to most Government Departments, and similar to the method employed with the ABC in Australia. The role of NZOA would diminish and its residue of services could be merged with the responsibilities of the BSA.

As a consequence of restructuring, public money would cease to be directed to the independent producers (other than by TVNZ at their direction), and no public funding would be received directly or indirectly by private or overseas television channels (namely TV3, presently). As indicated, TV2 would be split away from TV1, but would remain in state ownership, probably still a part of TVNZ. For as Norris (1997) suggests: 'moving to a more public service TV One from within the powerhouse of TVNZ as we know it today, will be a lot easier, more enduring and certainly cheaper than breaking the company up and trying to establish a stand-alone, non-commercial public service TV One' (p. 35). TV2 would remain financed solely by advertising, be required to return a satisfactory profit, but, as a state-owned entity, restrictions would be placed on frequency and duration of advertising breaks in an attempt to break up the present culture of saturation advertising. The advertising market-place would adjust over time and the basic rates would settle to reflect the altered environment (exactly as it has during the last decade of deregulation). The business relationship between TVNZ's two channels would be retained and enhanced, and publicly-funded programmes owned by TV1 would appear on TV2 where financial advantage could accrue, and vice versa.

Nothing in this approach can be said to be original, for there have been many suggested proposals along similar lines. One such was outlined by guest speaker Graham Murdock in his paper to *The New Zealand Broadcasting School Seminar* in Christchurch during June 1997:

... As a first step toward restructuring, let me make a modest proposal in relation to broadcasting. NZOA and Te Mangai Paho

[funding for Maori broadcasting] should be disbanded and public funds for broadcasting invested in a new public body that would operate TVNZ's TV One and two public radio services. This body would not be an SOE. It would not be required to return profits to the Treasury. Any monies made from overseas sales of programmes or sales of ancillary products would be ploughed back into programme production. It would be entirely free of spot advertising, barred from taking product placement payments, and subject to a strict code of practice on programme sponsorship. It would operate under a remit that clearly specified its major responsibilities and provided practical criteria against which its performance could be evaluated. The remit would be drawn after due parliamentary debate but as a minimum it would include a central commitment to represent the diversity of New Zealand life and culture across the full range of programming (Murdock, 1997, p. 23).

To replace all of TV1's present commercial income from advertising with public funds from tax-payers would be difficult initially (as explored in Chapter Four) and a 'hybrid' version of a public service broadcaster would probably be necessary to gain both public and political acceptance for change. Here, a compromise is suggested - that TV1 is funded from public funds sufficient to allow ad-free 'windows' which could be used for programme material not supported by advertising revenue. Rather than marginalise these windows for economic advantage, the proposal would focus on prime-time periods mostly, with a total of 25% of the weekly schedule financed through public funds. It is recognised that lost commercial revenue for TV1 over prime time could be considerable, amounting to as much as 75% of current TV1 commercial revenue. Hours proposed for the ad-free public 'window' are 6pm to 10pm Monday through to Saturday, and 6am to 12 pm on Sunday. Transmissions outside these hours on TV1 would compete for advertising revenue, although controls designed to avoid saturation advertising would remain. One possibility is that advertising occurs only at the start and at the end of 'discrete' programmes, subject to usual programme length criteria. Whilst this might adversely affect the advertising industry's rate-card initially (TVNZ being a lead player due to its high viewership), it is expected that market-forces would prevail eventually to reflect the reduction of advertising hours nationally available.

News and current affairs would be central to TV1, with priority given to other programmes which appealed due to their local identity and culture, minority interests and the like, much as provided for by the legislation under which NZOA currently operates, and similar to the ABC Charter. TVNZ

would revert to a independent Board-controlled State company with a Charter governing its structure, role, operation and lines of accountability, via an independent statutory body, through to the Minister of Broadcasting. Although a hybrid broadcasting model, the company would have public service ideals enshrined in legislation which would include safeguards against political interference and direction in editorial matters. It would require a 75% vote in the House of Representatives to alter or overturn its governing legislation and charter, such measures designed to give stability and avoid changes every three years as a newly elected Administration takes charge.

The largely contentious issue of funding public service television can be split into two basic areas of concern. Firstly, how to ensure that the amount allocated by Parliament in the Annual Budget is sufficient to adequately fund the public broadcaster in any one year, and, secondly, how to give certainty in future years that funding will continue at such a level as to allow the broadcaster to plan strategically in a market well-known for competition, technological determination, innovation, and viewer autonomy. The vexed question of affordability is to be unquestioned here, since this thesis has already arrived at the point where the desirability of public service broadcasting, and its associated costs, has already been given an economic value sufficient for its purposes (in social, cultural and democratic terms). The money can be found - as a perusal of any election manifesto from any political party will show. It remains a matter of particular choices made from the range of choices available. The suggested sources from which this 'hybrid' might be funded will be elucidated later.

Adequate funding, in terms of need, would be the total amount required to underwrite the initial structural changes, legislate for the governing Charter, and then to move to implement the ad-free window on TV1. From the second year of full operation a system of triennial funding from Parliament via a statutory body should be established (such three-year period to be staggered *across* the usual three-year political term rather than adjacent with it), with the second triennial level of funding being debated and agreed to at the middle of the first three-year term. This would be repeated every three years. The threat of political interference in respect of funding would thus be lessened both during the normal Annual Budget round and at (re)election time. The public should also know well in advance of any potential changes to funding levels, and be able to judge if such changes might be adverse or otherwise (on *their* broadcaster - *or* their pockets). The public service broadcaster, and the public, would have some certainty of continuity of service (based on a five-year strategic plan) without the worry of unexpected budgetary cuts or levies being foisted upon them.

The independent industry body would take on a monitoring role on behalf of the Crown and concern itself with funding mechanisms and levels, programme standards, local content percentages, charter adherence and, above all, ensure the editorial independence of the broadcaster. Parliament is already moving to clarify the lines of accountability of Crown entities, and the present Minister for State Services, Simon Upton, sees the need to classify them on the basis of their individual roles (Upton, *The Dominion*, 28-7-99, p. 12). The proposed monitoring body would be a Crown *agent* (an organisation that gives direct effect to government policy, ie. in this case, to monitor performance against pre-defined criteria), and the new TV1 (along with TV2) would switch from being a state-owned enterprise (a business) to a Crown-owned *company* (a trading company having a distinct social purpose). TV1's Charter would provide protection for the company against the need to return a profit or a dividend, autonomy of programming decisions, and give voice to unambiguous aims and objectives. It would eliminate, to a high degree, what Atkinson (1999) terms the 'cross-pressures' of the current SOE model TVNZ operates under, that is, the 'impossible' mix of profit-making/public service functions. This would inevitably see a return to a 'regulated' market in broadcasting, arguably a controversial move in what is seen as a deregulated industry environment.

However, it is the view of this thesis (supported by Tyndall, 1999) that social, cultural and democratic outcomes are best achieved in a 'mixed' media market by regulated interventionist policies designed to achieve particular results. Wrightson (1999), from industry-based SPADA, specifically calls for quotas (target percentages or point-based mechanisms) to increase the amount of locally produced programming material made and shown on our screens. In her address to the 1999 Conference on Broadcasting Issues in Christchurch, she spoke of one lone single interventionist mechanism (NZOA funding via the government vote) not being sufficient to reach the desired level of New Zealand local content under our present deregulated system. She pointed to local content levels overseas and that a number of associated and enmeshed mechanisms are necessary to better achieve such goals. A variety of percentage quota and genre-specific quota systems are used successfully in a number of countries, but there is not the space here to record them all in detail. A hybrid quota system could be devised to fit in with New Zealand's particular circumstances, one which would bring about a more balanced diversity of *type* and *source* of programme material (with perhaps less marginalised spaces for Maori and other ethnic cultures on mainstream channels than at present). To what extent this would need to apply to other channels or providers would need to be carefully thought over, as would the nature of

quota restrictions on new entrants into the New Zealand market. Some flexibility would be needed to ensure entrance costs were not insurmountable (Mounter, 1999).

6.3 Re-regulation: Intervention and Support Mechanisms

In calling for re-regulation of the broadcasting sector (although, for these purposes, only in respect of the operation and structure of TVNZ), it is helpful to be reminded of the trenchant criticism made from time to time of 'going back to the past'. There is no intention of the reforms promoted by this thesis being seen as going backwards towards a BCNZ-like past, but more of a reversal away from the market-led reforms to allow for 'a counter-revolution that would address the marked imbalance between private and public interests that these initiatives have created' (Murdock, 1997, p. 23). Regulation to obtain social goals has always been necessary in the form of legislative interventions and support mechanisms. After all, that is a prime role of government. The quota proposal discussed before is one which could be used to advantage to increase the amount of local content broadcast.

At this point, it is important to consider the usual definition of local content - 'programmes made domestically' (NZOA, 1998b, Executive Summary 1.1). Figures quoted for countries often differ in percentages but, broadly, the following is typical: USA: 90%; UK - BBC: 78%; Canada: 60%; Australia: 55% to 58%; Ireland: 41%; New Zealand: 24%; (source: Norris et al., *Television in Ten Countries: Local Content and Diversity*, 1999, Executive Summary). In yearly comparisons New Zealand television is frequently around 20%, sometimes lower. Repeat showings of locally-made material also blurs the statistics and the perception of viewers who might tend to believe the amount screened is frequently much higher. News, current affairs and sport feature heavily in the statistics of local content. Whatever local content might be *it is not necessarily synonymous with any acknowledged notion of national or cultural identity*. Programmes may reflect who we are, but the sole aspect of them being produced locally (that is, being locally-made within New Zealand) does not mean they do. The outcome is often quantity versus quality, measured by ratings rather than appreciation, or enjoyment.

Any debate on how to define 'good' programming as distinct from 'bad' becomes inevitably drawn towards matters of taste, preference and standards (for an extended discussion, see Welch, 1999, pp. 104-108). There is not sufficient space here to fully outline many of the arguments for quality broadcasting which centre on personal preference, but the accusation most often leveled at those who wish to see more 'quality' on television is 'elitism'. Some might see all local productions as good programmes, and

much of the imported material as not so good. Others will say that they know good television when they see it because they like it, and what *they* like *is* good television. The ad-free window suggested for TV1 should be used for good programmes - both supported by the 'elitists' and by the 'populists'. If the Charter is developed with this in mind, then the material played at prime time would be 'the best of its kind' - not simply 'typical of the genre'. Or, put another way, the best of its type - not just 'the best of the rest'. Quality is dependent on excellence, quantity is dependent on availability. The difficulty with producing larger amounts of quality programming lies in the cost escalation associated with such a goal. Certainly it takes more money to produce more, but the cost is *marginal* over and above what it costs now to fill the screens with material of a lesser standard. The ABC Charter mentions 'innovative and comprehensive broadcasting services of a high standard' (6) (1) (a) (ABC Annual Report, 1996-97, front inside cover), and this sets a minimum performance for the broadcaster to achieve. The increased marginal cost may be significant in some areas, but insignificant in others. Material used to fulfil the quota should be based on quality first and followed by tests of diversity, minority/marginalised interests, and accessibility to the audience. The channel should show the best local drama, the best documentaries, the best material for children and young people, the best of the Maori-made programmes, and so on. As part of this discussion there is a view that says that by providing diversity through multi-choice of genres the quality of output rises through, *inter alia*, innovation and variety. The quota system, if built upon a 'quality' framework (and given access through a window of potential) should increase the overall standard of local production.

Quotas, and intervention mechanisms generally, will cause (social and economic) distortions in the marketplace and affect the best-known audience measuring device we have in New Zealand, PeopleMeter ratings. Not only do these interventions interfere with the gathering of viewing statistics (creating new interpretations), but when inclusive of public service television, it destroys the base upon which such measurements are founded. Public broadcasting is concerned with audience reception, whereas commercial broadcasting is more interested in audience numbers - directly as a consequence of the need to continually increase advertising revenue for profit. In New Zealand, National (public) Radio has intervened in the popularity stakes and caused exactly this dilemma (Crosbie, 1998, pp. 107-111). Public service broadcasting causes a re-definition of ratings research by asking the question *why?* instead of *how many?* *Why* are you watching or listening? - not *what* are you watching or listening to? Current ratings research in New Zealand is carried out weekly by A C Nielsen (N Z) Ltd.

and is based on PeopleMeter technology placed in a maximum of 440 homes, catching a maximum of 1050 viewers (ACNielsen, 1999, *Weekly Television Audience Report*). These results are extrapolated to the estimated audience of somewhere around 3.3 million persons. TVNZ does undertake its own research on viewer *preferences*, from time to time, and NZOA researches the field of local content and viewer response at regular intervals. The problems relating to the ratings mode of audience research in New Zealand are well summed up by Murdock (1997):

The established way ... is through the ratings for individual programmes which measure how many people were in the room when the television set was tuned to a particular show. The resulting figures are the principal currency traded between advertisers and broadcasters ... Like all statistics quoted in political debates however, ratings have acquired a taken-for-granted solidarity ... They say nothing about the quality of viewer's experiences ... [other measurements taken under an 'appreciation index'] often show that some of the most 'popular' programmes as measured by the ratings get relatively low appreciation scores from viewers. The set may be tuned in, not because people particularly value the programme being screened, but because the television is always on at that time of day or because, given the range of available choice, it may be the least worst option. There is a third figure that is also seldom published or debated - 'reach'. This measures the percentage of the population who find at least one programme they want to watch on a particular channel in the course of an average week (pp. 29-30).

Using Murdock's three measures results in a far better reading of audience satisfaction and the worth of programmes. Chapter Five considered the effort that the ABC had put into researching audience satisfaction, ratings and reach. For the ABC a reach of between 70% and 90% was considered to justify the considerable amount of money spent on it by the Australian taxpayer. Rating figures for the ABC fell into the 12% to 16% range over prime time. Audience satisfaction was established by the Mansfield Review of over 10,000 submissions, most supportive and approving of the type and extent of content at that time. More regular qualitative research asking questions about people's appreciation of TVNZ's programme schedule should be done, and the results released widely enough to allow public scrutiny and comment. Instead, the bulk of quantitative data obtained for advertisers is released and displayed in an abbreviated form without any detailed interpretation of it potentially means for the viewers. NZOA does commission regular studies in the qualitative area, but it quickly becomes

overshadowed by the weekly league tables. Further to this, as Coddington (1999) points out, 'what *is* on television is dire enough; what's *not* on is more of a problem' (p. 80, emphasis in original). Asking viewers what they liked best is part of the answer (at least it is a step forward from only knowing which channel they tuned into), but the real problem lies in the area of what they didn't see because it wasn't there - and how do you ask about what they didn't see, or didn't get to see, simply because they didn't know what it was that wasn't there?

This argument about the choices you don't get to see is difficult to explain - surrounded as it is by sophistry - but the answer is embedded in the system of commercialisation which delivers only those programmes in prime time which are known to attract advertisers. Alternatives are discarded in favour of the tried and true. Channels continue to produce and display more of the same (cooking; decorating; tragic reality footage; 1990's failed movies, etc. etc.), ignoring what the audience might enjoy watching if they were able to choose to experiment for themselves. Interactive technology may yet place them in the position where they are able to do so, but only for some, and then at a cost.

Intervention on behalf of viewers is desirable in two other main genres, that of national sports events and children's television. National sports events can involve defining moments in the social construction of national and cultural identities. Television brings the events closer and by showing major national sporting events on free-to-air channels the contentious matter of access is minimised. Countries around the world have recognised the value of this, both in terms of the shared social experience and also the effect anti-syphoning legislation has in keeping the cost of screening rights down at an affordable level for the free-to-air state-owned channels. Recently TVNZ has suffered in respect of losing the bidding war for two major national sports, that is men's New Zealand All-Black Rugby and national Cricket Tests. Anti-syphoning legislation (always allowing for existing rights to expire) should be passed in this country to safeguard the right to broadcast national events of particular significance. Australia passed the Broadcasting Services Act in 1992, and Section 115 protects certain listed events annually until 2004. The **anti-syphoning list** is administered by the ABA (Australian Broadcasting Authority) and presently covers eleven sports: Horse-Racing, Australian Football League, Rugby League, Rugby Union, Cricket, Soccer, Tennis, Netball, Basketball, Golf and Motor-Sports. Multi-event fixtures are named within each listed sport. Legislation in United Kingdom is similar, but also includes certain Royal and State occasions. Anti-syphoning regulation is needed in New Zealand, and the proposed part-public-service TV1 would be the first to benefit by being able to negotiate to screen national sporting

events at a reasonable cost, something presently TVNZ is increasingly unable to do. McNabb (1999) reported that TVNZ chairwoman Rosanne Meo had been rumoured to be lobbying MPs to bring in 'anti-syphoning' legislation and chief executive Rick Ellis confirmed that such a plan was to be put to the Government (p. 14).

Children's television could not easily take advantage of the non-commercial model proposed here - by its very nature screenings take place daily in the mid to late afternoon outside of prime time. Advertising should be restricted to appear only after individual programmes to alleviate fragmentation of children's viewing. Alternatively, funds could be set aside specifically to reduce or abolish advertising during children's television on TV1 - should there be sufficient support in this controversial area for such a move. However, *content* should be governed by the charter, with quota levels specifying the type and range of material specifically produced or purchased for various age-groups. The charter would place a requirement for TVNZ to both fund production and allocate space on its network for children daily. Independent monitoring of performance in the area of children's television would need to have input from children and parents to avoid a plethora of cheap cartoon material and a dearth of children's drama. The NZOA Local Content Survey 1997 gives a overall figure of 806 hours for locally-produced children's television screened in 1997, but showed the annual amount of *local drama* as nil; 1996: 12 hours; 1995: 28 hours; source: NZOA (1998b), Appendix 3.

A Maori television channel is being presently set up under the direction of the government agency Te Mangai Paho, currently funded through NZOA. As this study is mainly concerned with the restructuring of TVNZ, the emergence of a Maori channel and what its shape and form maybe will not be discussed in detail here. What must be considered here is how 'mainstreaming' of Maori programmes can be achieved, since not to be inclusive of programmes about Maori, for Maori, and produced by Maori, within a national public service 'window' will bring accusations of 'separatism' which would be hard to refute. What might be sensible is for TV1 to take programmes from the Maori channel, either in English or with sub-titles, or both, and place them on the prime time schedule in accordance with the quota provisions under its charter on a regular or irregular basis. There would thus be two channels screening material displaying Maori culture and its people, and 'ghettoisation' through marginalisation on mainstream schedules would largely be avoided. Funding for any stand-alone Maori channel should originate from the Maori Affairs vote, since NZOA would become a regulatory quango, no longer responsible for dispersal of funds. It is essential under the Treaty provisions, given the

views of Maori broadcasters such as Derek Fox, that Maori television is funded adequately to produce programmes of quality and interest:

When [the Minister] Maurice Williamson was asked recently about the amount of money he was providing for Maori television, and it was pointed out how that produced only enough for one or two episodes in a drama series on television, his response was, well, I don't expect Maori television to make programmes of that quality! So I guess that puts us [Maori broadcasters] and him, in perspective as far as that's concerned (Fox, 1998, p. 78).

Another Maori broadcaster, Tawhini Rangihau of the now defunct Aotearoa Television Network, has this to say;

How about normalising things Maori for me? Why am I always only seen on Sunday morning? It's not like I only speak Maori on a Sunday morning from 10am to 11am. It isn't. And it's not like the only Maori people around are over the age of 60. And it's definitely not like the only people who speak Maori are over the age of 60! Definitely not. (Rangihau, 1997, p. 106).

Cave reports that Mike Hollings, chief executive of Te Mangai Paho, holds a different view:

Like it or lump it, Maori language and Maori cultural broadcasting has no commercial appeal ... You can debate the morality of that as much as you like but that's just a reality and widely accepted, unfortunately. That's why, with TVNZ, you won't find Maori programming in prime time. It's on on Sunday mornings, with the exception of *Te Karere*. In mainstream commercial radio there will be virtually nil Maori language or Maori cultural programming for the same reasons and they are resisting the change. The more Maori language and Maori cultural broadcasting, the lower the audience will be. You can't force people to listen to your radio station (Cave, *NBR*, 27-3-97, p. 42).

The mainstreaming of Maori programming over prime time television would overcome these and other concerns, and create a more sympathetic reflection of our national identities and culture.

6.4 Where's the Money Coming From?

The recent major policy change made by the government to move NZOA funding from fee collection to a more broad-based system via the Treasury has yet to impact on disbursement criteria. At this stage it can only be

assumed that around \$45 million will still be available annually for local television production, but there are signs already that reduced funding is likely. Under this thesis, the total amount available of government funding for television would go to TV1 for public service broadcasting. The model proposed here suggests that 75% of the annual revenue earned by TV1 through advertising would need to be replaced, and, allowing an additional 10% for contingencies, the sum to be found is estimated to be around \$120 million. There is a shortfall, then, of \$75 million. This is the 'social insurance cost' identified earlier as needing to be paid to clear the space for a 'cultural window' of our own.

Suggestions have often been made that instead of returning the annual 70% and other dividends to the government, the money could be retained by TVNZ to offset the cost of producing more local content (Rennie, 1997, p. 81; Wilkinson, 1997, p. 88; Smith, *NBR*, 9-5-97, p. 28; Johnstone, 1998, p. 237). The problem for this thesis is the way that successive governments have become so used to accepting the annual dividends from TVNZ. Once you create a structure involving funding **from** taxation rather than one contributing **to** it, then you inherit a double loss since dividends do not accrue, and you cannot spend - or take advantage of - money which is not earned by way of (a dividend on) profit. Only the profits earned from advertising by TV2 would contribute to offset the cost of the restructured TV1. Profits might be, perhaps, \$10 or \$20 million annually, reducing the funding deficit to, say, \$60 million? There are also other distortions created such as advertising rates which harden to offset the reduced space on network television for advertisers, which in turn may attract new (private) entrants who find advantage in the changed market environment. Tax relief in the form of tax-breaks could assist TVNZ in reducing the funding deficit further, and the changeover from SOE status to a Crown company could facilitate this. Finally, a levy upon the turnover or profits of New Zealand domiciled and/or overseas-based communications industries, including the telecommunications and entertainment industries, could bring in, say half of the remaining \$60 million required. Murdock (1997) provides a rationale for such an industry tax:

As a result of the rapid convergence between the computing, telecommunications and cultural industries, a whole series of new players is entering the information and image business, or is on the point of doing so among the major companies in the world economy. A modest levy on the profits they make in New Zealand would be unlikely to discourage them from entering markets here [for profit]. It would represent a small extension to the expressions

of social responsibility they already make voluntary in the form of donations to worthy cultural and other causes (p. 27).

Similar proposals to the one outlined for TV1 here have been developed by NZOA in 1998, essentially on 1997 data, and their estimate as to the amount of revenue TVNZ would lose by making TV1 entirely ad-free was then \$127 million (NZOA, 1998b, 4.2.16). Even allowing for cross-subsidies from other sources, the shortfall was estimated at \$102.8 million. No acknowledgment was made concerning the likelihood of reduced or cancelled dividends as a result of the changes suggested. There is a probability that TV1's own profitability is currently substantially less than that of TV2, and that the majority of the current dividends are produced by the activities of the popular youth channel. Comparisons are given of the EBIT margins (Earnings Before Interest and Tax) for both TVNZ channels within the Financial Summary of the Ord Minnett Scoping Report (1998), and this shows that TV1 had a margin in 1997 of 5%, whereas TV2 was around 32%, indicating a considerable imbalance between the two channels as far as income is concerned. If this is the case, TV2 may be able to contribute a far higher cross-subsidy to the redefined TV1 than is allowed for in the proposals for the channels as set out here.

6.5 Digital Futures and Technological Determinism

It is easy to understand why the spectre of digital television causes concern when the state broadcaster TVNZ places \$126 million into a reserve fund for future digital technology upgrades (McNabb, 1999, p. 19). With possible expenditure of this size needed, the Minister for State-Owned Enterprises would find it hard to defend against competing priorities for public money. The problem for the public though may be to understand what digitalisation of their television actually means, and what it provides that is not already there? According to Smith (*NBR*, 11-9-98, p. 44) digitalisation means using 'the language of computers [binary on/off (0/1) switching codes] to store images and also offer interactivity'. What it does not alter or interfere with, so far, is the content of the programme, insofar as watching an entire episode of *Shortland Street*, *Fair Go* or similar scheduled programme or series. The question to ask, then, is why spend so much money on moving to digital television when most, if not all, have analogue sets?

There seem to be two major reasons: firstly, that it allows *compression*, 'that is, more data will be transmitted through the air than the current analogue system, allowing more channels, less interference and clearer pictures ... [and] that digital cameras and editing equipment will mean the actual making of programmes will be less expensive - a bit like the change from film to videotape' (Coddington, 1999, p. 85), and, secondly, 'internet

and telecommunications *interaction*' (Simpson, 1999, p. 20). In her probing article, Simpson asks Sky chief executive Nate Smith why broadcasters continue to develop digital when all television sets currently in New Zealand use the analogue system. Although he questions whether or not consumers will immediately move in large numbers to purchase new digital sets, Smith also suggests other forces are present:

My cynical view is that it is the set manufacturers driving this whole thing. The broadcasters and probably more importantly the television manufacturers have run into an issue. If you look at the TV industry it's had about three phases. It has had black and white, then it had colour and it was great because the uptake was real high. But then every few years they improved the quality of pictures, kept selling televisions into homes and then technology overtook them and they made real good sets and there was [and is] no reason to buy a new set, so now they are stuck. So now set manufacturers are saying digital TV, that's the future and the broadcasters are saying well alright if the whole world is going digital we have to follow (ibid.).

The implications of digital technology for TVNZ were looked at in the Ord Minnett Scoping Report (1998). One risk identified was 'a proliferation of new channels, resulting in greater market fragmentation and probably a decline in the ratings of the existing main [free-to-air] channels' (p. 7). Advantages were seen as offering 'a cheaper and more efficient method of broadcasting television. It is expected that digital transmission will accommodate four to six channels on the same UHF bandwidth as that currently used for one analogue channel ... [It] provides enhancements such as improved picture quality and extended support for internet services and interactive television' (ibid. pp. 5-7).

For TVNZ there would seem little advantage in delaying the inevitable switch to digital, but full implementation will probably be spread over a decade or so. Three years ago, Kennedy (1996, p. 15) predicted that by the end of 1999, viewers would be able to flick through a 'mind-numbing' 200 channels. This has not happened, and, although the technology is available, New Zealand's relatively small market has not yet moved to fully embrace it. The Australian Government announced in March 1998 that it would not allow digital technology to affect the viability of existing free-to-air networks (three commercial and two public broadcasters), and gave the five free-to-air channels sole access to the digital signal spectrum until 2008 (Shanahan, Marris & Mathieson, 1998, p. 1). This meant, in effect, regulation of digital transmission in the nation's interest to avoid saturation

by new entrants and niche providers. New Zealand has no such broadcasting legislation in this area at present.

NZOA (1998) has tried to document the likely effect in New Zealand of digital channel saturation. Two major possibilities emerged in their study: **fragmentation** and **segmentation** of the television audience, that is, fragmentation into smaller and smaller groups whilst switching from one channel to the other in search of specific material which appeals; limiting their exposure to unwanted programmes and advertising, and, at the same time, often watching more than one channel through split-screen devices. Each of these mediations are not exclusive of the other, but may be practiced simultaneously by those for whom the technology becomes available. What is clear is that as the uptake of digitalisation takes place (initially in the form of a set-top conversion box) the advertisers will need to try and follow their audience into niche markets to shore up their falling returns - with the result that TVNZ as the free-to-air terrestrial with the highest rating figures could suffer a fall in advertising revenue. The advertisers will eventually question the value of their placements as digital technology brings the viewer more autonomy through being able to select and pre-select material much faster - as speedily as editing music tracks on cd players or moving through internet search engines. This will be a gradual process, since many will not wish to upgrade immediately or will not be able to afford to do so, whilst others may be happy to wait until the cost reduces. Interactivity, sometimes called 'personalised television' (Revington, 1999, p. 22), may be pursued initially only by a relatively small band of computer literate media enthusiasts. As computer screens merge with television screens, more experimentation seems likely, and the casualty may well be advertising. There are those who genuinely feel affection for (specific) advertisements, but it is difficult to see that many will seek out advertising in preference to programmes. It is at this point that making public funding available to TVNZ in the manner proposed by this thesis could be an advantage, allowing TVNZ to avoid what may be a dwindling source of revenue by a hardening of the market through a reduction in capacity. Media analyst Martin Gillman, when interviewed by Revington about these developments, had this to say:

There are a lot of people who would say that technology will destroy advertising and traditional sources of advertising revenue as we know them today. My feeling is that existing types of advertising will be around for some time to come and they will find a comfortable co-existence with new technology (ibid., p. 23).

By far the most problematic result of digital saturation (in numbers) of channels could be a lack of programming material. The NZOA (1998b) study suggests: 'while digital television technology creates the potential for hundreds of television channels it does not create the content that will fit those channels. The current experience shows is (sic) there is not enough suitable programming to fill all the potential channels' (3.1.8). They conclude:

... New Zealand's size will mean that very few of the niche channels will be scheduled locally or include original local content as this will not be economic given the small potential audience levels. Local programming will most likely be limited to low cost, 'grass roots' regional television, sport and repeats from the major networks. In general, the more expensive forms of local programming such as current affairs, documentaries, drama and children's programmes can only be sustained by the major networks (3.1.11).

The effect, then, of digital futures on TVNZ as a free-to-air terrestrial network seems uncertain, and the questions raised in the early chapters of this thesis remain insoluble by technology alone. Aspects of cultural identity as lived experience cannot be satisfied by technological determinism alone. The lives of New Zealanders can be enriched more through the pleasures of television itself, than the restricting exploitation for commercial advantage by advertisers. New Zealand television should start looking after the needs of its audience - before its audience starts looking elsewhere.

Conclusions

New Zealand's Cultural Identity: Costed or Valued?

The six chapters which form the body of this thesis (at the express direction of the five research questions) put forward a view that television, in its current form, is valuable for its potential moulding of personality, identity and attitude, rather than for its performance as a medium of consumption and commodification. Tracey (1998) reminds us that television has been described by Fowler as 'a toaster with pictures'; and that Greene believed 'there was no difference between a TV programme and a cigarette lighter' (p. vii). In New Zealand, media mythology has used the 'baked beans' analogy in the same way, although it was first used to describe the newspaper industry (McGregor, 1992, p. 26). The industry would have it that television is 'merely' a business like any other: one which sells programmes to audiences, and then audiences to advertisers. This philosophy - as applied to state-owned television - is a fairly recent phenomenon and the longer it continues, the longer TVNZ will provide mostly simple, formulaic, popular programming to capture mass market audiences, and then saturate such programmes with 'wall-to-wall' advertising. Some will see this comment as an exaggeration or even as a biased view, but they have either forgotten how television used to be, or, and this is becoming more and more the case, they will have never known it any other way. This thesis puts forward an alternative to be seriously considered while we still have options open to us. The future role of TVNZ is likely to be decided in the next three years or so, and any decision to relinquish state ownership could be irreversible.

The total dividend paid by TVNZ to the Crown for the six months to 30 June 1999 was \$106.2 million (Van den Bergh, 1999, p. 15). For the most part the profit came from the sale of investments (bought some time ago from trading profits, presumably from advertising revenue). It now seems unlikely that repeat dividends of this size will be available from the core business trading in the foreseeable future. TVNZ has been positioned for sale at the earliest opportunity. The dividends have now been swallowed up by the Consolidated Fund and will form part of this Government's election strategy, and the next Government's spending priorities. Thus, TVNZ has fulfilled its *raison d'être* and proved its value to its shareholders. Tracey (1998), however, puts forward quite a different value for television:

Television, in particular, lies at the heart of political, social and cultural life. Our pleasure, our information, our enlightenment, our grasp of world and local affairs, much of our leisure time, begin

with and are absorbed by the medium. To say such is almost clichéd, and yet it is an obvious, unassailable, potent, and portentous truth. It is, therefore, an obvious conclusion to draw that, if television is such an important institution at the national and global level, what happens to it is of some considerable significance (p. 4).

Tracey's articulation of what television is, likening it to a 'keyhole to society' (almost an aperture on life rather than a cultural reflection) suggests it tells us more about our *character* than our identity, and adds 'if there lies mediocrity or excellence in the doing of television, it is possible that mediocrity or excellence will dominate the wider terrain' (ibid. p. 5). This is a telling observation (if true), but Tracey is quick to add that he is not arguing a case for direct causality, but more of a sense of pervasiveness 'oozing to the surface', trapping us within its culture, its display of attitude. This is 'deep analysis' akin to psychoanalytic film theory where form, image and style dominate the subconscious mind and combine to ask questions such as: 'what does it all mean and what does it say about me?' In stating his case Tracey is unrelenting and claws at the duality of American television in a way not impossible to contemplate here in New Zealand:

Consider American local television news - with its orthodontically perfect, immaculately coiffed, oozing with bonhomie anchor persons; its trivia, its factoids masquerading as journalism, its mock seriousness in the face of real pain and suffering, its sheer superficiality; its manipulateness of its audience, its crass, brutal commercialism, and the screaming absence of much that is truly excellent. If one cares to look closely at this it is at least plausible to suggest that one can see the real soul of the machine, the crass commercialism, superficiality, and sheer mediocrity of too much of American life. Laid bare in local television are very much the choices America has made for itself (ibid.).

This is a vision of things to come. Right now, we still have a choice. Moreover, we are moving further towards what Tracey labels 'consumer sovereignty', where the state no longer makes choices on behalf of its citizens and the public, using their own economic judgement, rule. In essence, 'the difference is between the individual as part of the collective [community], and the individual as just that, an individual' (ibid. p. 11). Public service broadcasting, whether in its historical pure form, or as a hybrid, is seen as an expression of the collective, a collective where 'the media become both potent expression and nurturing agent of democratic practice within a public sphere' (ibid. p. 13).

Whilst the proposal in Chapter Six is a hybrid, its primary aim is to provide a way for the ‘principles’ of public service broadcasting to be supported in New Zealand. Smith listed the key features as defined by the UK Broadcasting Research Unit (1986):

Universality of payment: one instrument of broadcasting directly funded by a body of users; broadcasting structured to encourage competition in good programming rather than competition for numbers; broadcasting should recognise its special relationship to the sense of national identity and community; and broadcasting should be distanced from all vested interests and in particular from those of the government of the day... (Smith, *NBR*, 2-10-98, p. 64).

Tracey, acknowledging the evolution of his eight principles of public service broadcasting over many years, brings functionality to the fore:

1. Universality of availability;
 2. Universality of appeal;
 3. Provisions for minorities, especially those disadvantaged by physical or social circumstance;
 4. Serving the public sphere;
 5. A commitment to the education of the public;
 6. Public broadcasting should be distanced from all vested interests;
 7. Broadcasting should be so structured as to encourage competition in good programming rather than competition for numbers;
 8. The rules of broadcasting should liberate rather than restrict the programme-maker.
- (Tracey, 1998, pp. 26-31).

Many of these objectives, appearing in a charter, would easily fit the hybrid model envisaged by this study. However, it is certain that the next few years of the new decade will decide not only the future structure, focus and well-being of TVNZ, but also that of the entire New Zealand broadcasting spectrum. A recent NZOA broadcasting symposium held in Wellington during the last week of August 1999 looked at a number of current issues, including ‘the need for public broadcasting and what form it should take; what should be the fate of present broadcaster TVNZ, including whether it should be sold; how public broadcasting should be funded; local content; a review of regulatory bodies; and where will New Zealand sit in the “global, digital, multi-channel future”’ (unsourced, *The Dominion*, 3-9-99, p. 7). Safeguarding and protecting state-owned television against the rigours of the market is currently unfashionable. Championing the cause of public service broadcasting requires nerve in the face of ridicule. Robins and Webster (1990) allocate considerable space in their article, originally published in *Screen* in 1986, to securing a way forward to discuss television in Britain without relegating the discussion to a ‘confining binary opposition’ of

alternative positions in a debate that ‘has become polarised around these alternatives of commerce and entrepreneurship, on the one hand, and cultural paternalism and Reithian tradition on the other. Either commercial freedom and consumer sovereignty (the way of the future?) or a patrician and bureaucratic public service (nostalgia for the past?)’ (p. 136). Jettisoning such polarisations requires a ‘dumping’ of entrenched viewpoints so that new proposals can be seen afresh, but the fundamentals, this thesis argues, should be grounded in cultural values and not economic advantage.

After all, we are concerned here only with rekindling of a sense of public ownership among TVNZ’s audience (and only one channel at that) on which to base a *social, political*, and it has to be said, an *intellectual* public sphere - possibly evocative of the BBC, but no way like the BBC of the early decades of television described by Robins and Webster as a ‘social democratic (Keynesian) public space’ (ibid. p. 138). Neither does one (partial) public service channel, albeit free-to-air, require or cause any of the other channels to operate any other way than their owners might wish - except where they may perceive a competitor is putting on interesting programmes and (mis)appropriating their market (Crosbie, 1998, p. 107).

There seems to be a move towards a questioning of the status quo. This thesis puts forward an alternative worthy of consideration, and that has always been the intention and the focus of the research questions. In removing the commercial pressures of profit, by giving it a public service face, by supporting its role with a charter having social and cultural aims, and by removing advertising from prime time, it would be possible to transform TV1 into a free-to-air state-owned national channel of the type that we all could feel proud to call Television New Zealand. What, though, is likely if apathy prevails and nothing is changed?

Safeguarding Identity: Global Media Pressures

New technologies have brought with them globalising pressures, full of tension and struggle, as outlined in Chapter Two. These developments are not necessarily brought about by the inclination of individuals - nor by a ground-swell of demand from society en masse - but by technological determinism’s internal drive for more and more refinement and choice. We are being given no choice, except, more of it. With multi-channel availability fast becoming added on to the five free-to-air channels, it seems impossible not to use it, if only because it’s out there. But, is anyone analysing how the choices are made, or what the choices really are? Without relying on known and dependable frames of reference, existing traditions, reliable patterns, established values and the like, all originally created by ‘our own lived experience’, how can we expect to retain an identity in the face of such

alienating and irresistible global media pressures? This is no simple task and Preston (1997) sums up the dangers:

The general debate among scholars, policy analysts and political agents has been confused, and much has been made of the distinction between modernity and postmodernity; however a series of more or less coherent themes has been advanced for debate: first, that the industrial-capitalist economic system is now both global and tripolar; second, that the industrial-capitalist system is now adjusting to the global and tripolar system and this manifests itself in the supersession of the nation-state in favour of global, regional, national and local institution structures; third, that social theorists and others must grant that the extent to which these processes can be understood is very limited; and finally, that social theorists and other commentators can contribute to a collective grasp of these processes by contributing to the re-establishment of a series of public spheres (p. 22).

Technological determinism is clearly not assisting to re-establish any form of public sphere, and there must be some sort of social intervention here. Earlier in this thesis, a real need was identified for new frameworks to be found which would express and articulate new global-local identities, new ways of discussing cultural flows in terms of difference, and new strategies which dealt with the impending deterritorialisation of social groups through global media and economic pressures. Image spaces and mediascapes were mentioned as places where room could be made for defining national and cultural characteristics based on the everyday living experiences of New Zealanders. These spaces are not born out of nostalgia for the past, but of a need to demonstrate what we have become to be as citizens of a particular nation-state called New Zealand.

There is a need to understand the globalising pressures, always taking what we think is reasonable from them, then moving on with some vision, never doing so just to avoid falling behind. So we might be advantaged in all this, the structure proposed here for our state-owned TVNZ, and TV1 in particular, is designed to safeguard our own identity, and to provide an uncluttered place, free of overwhelming commercial pressures, where broadcasters can use their judgement to commission and broadcast the very best entertaining and informative programmes possible. It is the space which is critical, not the content. Diversity and experimentation would determine over time the kind of space it would become. The Charter would lead the way, set the direction, and monitor progress. The content would inform, educate and entertain. Surrounding the public space would be the

multitudinal private providers, promoting their wares, hyping their experiences, and defining their audiences. The viewers will still have choice, but with less 'sameness' than at present. Atkinson's plea, directed at those who would wish to do away with public radio in New Zealand in its present form, is no less relevant to the current position of TVNZ:

From a democratic point of view, the combination of fragmented audiences and concentrated ownership is doubly pernicious, reducing common knowledge [...what everyone knows that everyone knows...] while extending the knowledge gap between rich and poor. Far from the new information technologies making public broadcasting obsolete, therefore, we need it in both radio and television, now more than ever before (Atkinson, 1998, p. 29).

Atkinson is right, there is an argument for public service broadcasting in New Zealand, for radio *and* for television. Within this thesis an alternative model for TVNZ has been outlined which is practicable and financially sustainable, albeit reliant on continued political support and commitment. Whether we can finally achieve, and then sustain, such necessary long-term political and public support and commitment - in the face of the inevitable and increasing fiscal demands in the next decade - remains to be seen.

The Final Affirmation: TVNZ is Too Valuable to Sell

It has been shown how a state-owned public service broadcaster attains a value for its citizen-owners far in excess of the value placed in its financial statements. In preparing TVNZ for sale, its Board has increased its equity value from \$259.09 million to \$320.36 million in six months (TVNZ 1999 Annual Report). Its value to the country, built up over many years, is far more than those figures recorded there. It is irreplaceable - it would never be replaced. In private ownership it could not perform all the functions argued for it here. The proposal for it to revert back to a semi-commercial TV1, funded partly by TV2, is not new (see Smith, *NBR*, 19-6-98, p. 45). Perhaps what is different is the idea of having daily **prime time** hours ad-free. There are other similar hybrids around the world, and the Norwegian public broadcaster *NRK* is worthy of study in this regard. The 1998 NZOA study looks at *NRK* in respect of its 60% local content, and *YLE* in Finland which funds its 54% of local content from a 20% levy on commercial broadcasters (Norris, 19999b).

The suggestion often made by commentators has been to quickly merge TV1 with the National Radio/Concert Programme network and run it as a state funded body. The cost, though, would run into hundreds of millions of dollars of tax-payers funds each year, and, simply because of this, it seems

to be an unlikely option to attract support in either a left or right Parliament. Politics, however, is full of compromise and pragmatism, and that is why the option described here should be able to get a hearing. Providing the cost of restructuring TVNZ (yet again) is kept low, the result could be an increase in local content, diversity of programming, reduced advertising, and financial security for our 'own' national channel.

Whether the final model is the one suggested here is not overly important. This thesis sets out to raise public consciousness of the other values which make television so important and influential in everyday life. TVNZ is far too valuable to the country to sell to private overseas media interests. We would lose far more than we could ever gain. It remains desirable that we keep open free-to-air access to programmes which allow all citizens of New Zealand the chance to know their history, their culture and their identity. That is, as New Zealanders, a chance to know who we are, where we come from, where we have been, where we are going, and, for all those lucky enough to enjoy the future, what we might find there.

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