

**SENATE STANDING COMMITTEE ON ENVIRONMENT,  
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS**

**Inquiry into the Broadcasting services Amendment (Media Ownership) Bill 2006  
& related bills**

SUBMISSION TO THE SENATE STANDING COMMITTEE ON ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS INQUIRY INTO MEDIA OWNERSHIP 17 September 2006.

It is extremely disappointing and frustrating that Senator Coonan continues to disregard concerns about the diversity of content on Australian television ie local films and television programs and not just in regional areas and her lack of public commitment to ensuring that the free-to-air television networks fulfil their obligations to develop, finance and televise quality local programs.

**Where is there in any of Senator Coonan's public announcements the rationale to, on the one hand, seek to increase the concentration of media ownership, and on the other, continue Government policy to protect the free-to-air television networks without a corresponding increase in their obligations to locally produced programs? So much for the Prime Minister's commitment to promoting "Australian values" if all our children see on television are quality American drama programs and low quality "reality" programs such as "Big Brother." Who benefits?**

The single most alarming fact about the global media today is how few firms own and operate it and the implications for the functioning of democracy in Australia.

Eight giant global corporations own over 70% of global media – not just television, but newspapers, magazines, radio, satellite systems, cable, book publishing, film production and distribution, movie theatre chains, major aspects of the Internet, billboards and theme parks. These seven corporations are already capable of speaking to hundreds of millions of people on every continent on a daily and hourly basis, and they do.

Australia's most protected industry; free to air television is also the most profitable in the world. For the most part this profitability is driven by high quality programs purchased at a fraction of their original cost from the US Studios. Despite the hype this is not because of some great entrepreneurial effort by David Leckie to make Channel 7 "the One". The networks have what is called output deals where the television stations receive what ever new programs are produced by the US production companies/networks. "Lost" and "Desperate Housewives" just happened to come along at the right time. The Studio's market power is extensive and increasing with the demand for more and more content. The networks in Australia will argue that to maintain profitability they need to purchase more and more programs from the US without any corresponding commitment to local programming.

For example Telstra has announced it has an agreement with the US Studios to purchase 7000 films without any commitment to develop finance and produce Australian films. I strongly suggest their lack of commitment is against the national interest. I don't say that lightly.

The buy-it-off-the-shelf mind set has serious consequences for Australia's sense of independence and self image. The large amount of American programs corrosive impact on Australian values should not be underestimated. It is no longer "just entertainment".

We must stop thinking about Hollywood in terms that no longer exist: the "dream factories" that were the old studios -- MGM, RKO, Paramount, Columbia, Fox, Universal and Warner Bros -- where movies were the only products, stars and lesser actors were bound to studios by rigid contracts, and theatres were owned by the studios that supplied them. Now, the old Big Seven have been replaced by the new Big Six: Time Warner, Viacom, Fox, Sony, NBC Universal and Disney, "global entertainment companies . . . that collude and cooperate at different levels to dominate filmed entertainment." Movies earn a very small percentage of their total revenue, but are "their principal source of prestige and satisfaction in Hollywood."

The grasp of the Big Six is astonishing. They "own all six broadcast networks in America," as well as "64 cable networks whose reach accounts for most of the remainder of the prime-time television audience," a combination that enables them to "control over 96 percent of the programs that carry commercial advertising during prime time." They "control the television networks depended on by advertisers to reach children under 12 . . . and those designed for younger teens." They "dominate the worldwide distribution of movies, a studio business [the late] Steve Ross head of Time Warner once described, with considerable justification, as a 'money machine,' " and they "control a large part of the entertainment media, including magazines . . . TV and radio interview shows . . . and cable channels that publicize movies." All of which is to say that they control "one of the largest consumer-based industries in America: home entertainment," and they bear only glancing resemblance to the studios of old.

A research team at Sonoma State University in California has recently finished conducting a network analysis of the boards of directors of the ten big media organizations in the US. The team determined that **only 118** people comprise the membership on the boards of director of the ten big media giants. This is a small enough group to fit in a moderate size university classroom.

These 118 individuals in turn sit on the corporate boards of 288 national and international corporations. In fact, eight out of ten big media giants share common memberships on boards of directors with each other. NBC and the Washington Post both have board members who sit on Coca Cola and J. P. Morgan, while the Tribune Company, The New York Times and Gannett all have members who share a seat on Pepsi. It is kind of like one big happy family of interlocks and shared interests.

The eight largest global giants are: Time Warner, Walt Disney Co, Fox/News Corporation, Viacom, General Electric Co, Universal-NBC, Sony and Bertelsmann (Germany).

Such a degree of media concentration is not readily apparent to casual observers, since most local and even international affiliates continue to operate under other names. CNN, for example, is actually owned by Time Warner.

In the modern world, the media have become the primary basis of public knowledge. As the adage goes, "Who controls the media controls the world."

I believe this has special and serious consequences for Australia's national interest.

What form of nationalism allows the myth-making entertainment machine of Hollywood to dominate a wealthy independent nation located in the fastest growing region in the world. America's cultural delusions are a grotesque imbalance between fantasy and reality, a danger to us all, propelled by power, mythology and paranoia, as the US pursues its dream of empire.

If anyone finds this confronting may we suggest you arrange for members of the Committee to see *"The Patriot"* starring Mel Gibson as the peaceful Southern American plantation-owner who joins the War of Independence against the British after his sons are killed in battle, which was screened on Channel 10 a few months ago.

The film is a work of contemporary propaganda thinly disguised as historical drama excused by the filmmakers as "just entertainment". It is not.

Contrary to the commonly held view that the war was the American people's struggle for liberty against an oppressive colonial power, the War of Independence was born of opportunism and greed, dressed in the political principles that emerged from the earlier British civil wars.

Few on either side of the Atlantic believed the thirteen colonies would gain independence, still less achieve unity, because at least as many Americans remained loyal to the British crown as those who rebelled against it.

The reasons for adopting or changing sides were as varied as the interests of those men and women faced with a choice the vast majority would have preferred not to make. Native Americans and African slaves overwhelmingly favoured the British, and by the end of the war there were more "Americans" in the British Army than there were under George Washington.

By most non-American accounts the war was a secondary adjunct to a broad French design whose failed purpose was to gain control of the more valued West Indies.

In fact, the successful rebellion carried out by a minority of the colonists of a small part of North America created an institutional experiment doomed to crumble under the weight of its own contradictions, the last echo of which was smothered in the next civil war, nearly 50 years later.

"By the age of six the average child will have completed the basic American education. ... From television, the child will have learned how to pick a lock, commit a fairly elaborate bank hold-up, prevent wetness all day long, get the laundry twice as white, and kill people with a variety of sophisticated armaments." - Russell Baker, columnist and author (1925- )

The change in ownership (local or foreign) will be meaningless if all the programs come from the one source.

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