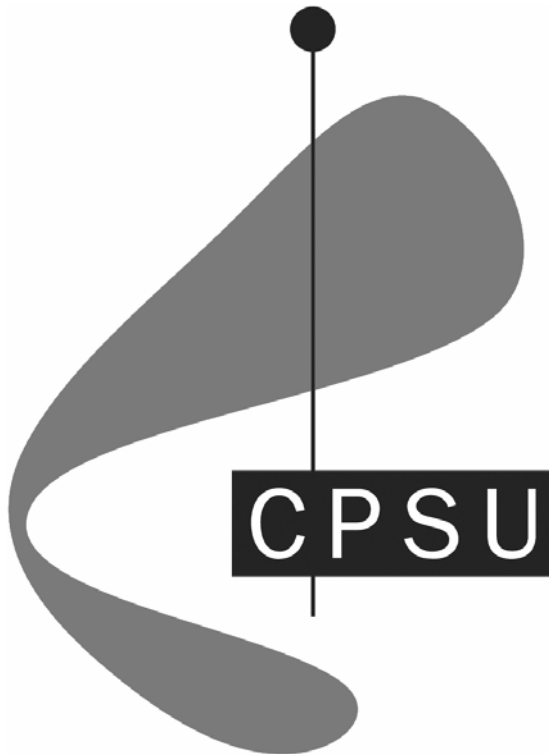


CPSU, Community and Public Sector Union (PSU Group)



submission

**Senate Environment, Communications, Information
Technology and the Arts Committee**

**INQUIRY INTO THE BROADCASTING SERVICES AMENDMENT (MEDIA
OWNERSHIP) BILL 2006 AND RELATED BILLS**

26th September 2006

Summary

- CPSU opposes the dismantling of the existing cross-media ownership rules;
- CPSU believes that higher levels of concentration of media ownership will result in less diversity of media content, and that this is against the broader public interest;
- The proposal for five media groups in mainland State capitals and four groups in all other areas will lead to a dramatic concentration of media ownership from the already existing low levels of diversity of ownership in Australia.
- Higher levels of concentration of media ownership will result in less jobs in the media industry, therefore a smaller pool of skilled workers in this industry which will strongly impact on regional media companies;
- CPSU supports the continued imposition of licence conditions in key regional commercial television markets to provide minimum levels of content on matters of local significance;
- CPSU supports the extension of this licence condition to Tasmanian television licences and strongly urges that similar licence arrangements are extended to South Australia and Western Australia.
- CPSU supports multi-channelling for the national broadcasters, while noting that adequate funding for the production or purchase of the additional content should be provided to ensure there is no further diminishing of resources of SBS or the ABC.

INTRODUCTION

CPSU, Community and Public Sector Union (PSU Group) welcomes this opportunity to make a submission on to the Senate Environment, Communications, Information Technology and the Arts Committee to their Inquiry into the Broadcasting Services Amendment (Media Ownership) Bill 2006 and related bills.

About the CPSU (PSU) Group

CPSU is a federal union with regions and sections in each State and Territory. CPSU represents members in both public and private sector broadcasting, including the Australian Broadcasting Corporation, Special Broadcasting Service, Nine Network, Seven Network, Ten Network, Southern Cross Broadcasting, WIN Television, Swan Television, Prime Television, NBN Television.

Our members work in capital cities and regional centres such as Newcastle, Port Macquarie, Orange, Coffs Harbour, Wollongong, Townsville, Ballarat and Shepparton. They perform a work range of work across the organisations listed above, including camera operation, editing, technical functions, production, presentation, administration, information technology and marketing.

Our submission

In our submission CPSU will focus on the issue of cross-media ownership as that is directly relevant to our members interests and of principal concern to the CPSU as a broader matter of public policy.

CROSS-MEDIA OWNERSHIP

Media concentration & diversity

CPSU believes that the Australian media is already highly concentrated and that any further concentration, such as would be facilitated by the Broadcasting Services Amendment (Media Ownership) Bill 2006 [“the Bill”] to amend the cross-media rules, would lead to a dramatic further concentration of media ownership.

This increased concentration of ownership is clearly in favour of the corporate interests of existing media companies and against Australia’s national public interest. There is no public good created by increased media ownership concentration.

The existing cross-media rules have served the Australian media market well to prevent the mergers that will eventuate if these rules are abandoned. The existing cross-media ownership rules have provided certainty and clarity regarding media mergers for many years.

The Federal Government's rationale for abandoning this policy is based on a fallacious argument around the emergence of new platforms. Put simply, new platforms do not equal new content if the new platforms are owned by the existing media companies.

Existing owners are already simply sharing the same content across these new platforms. Lessening the number of media owners will therefore have a direct impact on the diversity of content.

The Bill provides a mechanism for market rationalisation in the media industry to allow larger media companies to takeover smaller companies in different platforms to gain increased outlets for the editorial content produced by their existing employees.

The existing, if limited, diversity that currently exists in Australia ensures that there is some level of plurality of content and voices, and this will be seriously eroded if these existing rules are overturned.

Any plan to decrease the number of media owners will inevitably reduce the level of diversity of information and opinions available to the Australian public. This is not in the best interests of a democracy that relies on the media as a major source of news and information.

As one of our members put it:

"This is an attempt to limit the voice of independent media by tying media resources to single multinational companies. The impact on rural areas will be significant, and result in a biased approach to news reporting."

There is no identified public call for a change to cross-media ownership laws, instead these laws are being abolished at the behest of the media companies that will stand to commercially benefit from this change.

It is an sad indictment of the Federal Government that they are placing this commercial imperative as a higher priority than the national public interest.

Impact on industry employment

The media mergers that will result from these rule changes will reduce the number of media owners, and therefore the employment opportunities for those working in the media industry, including amongst CPSU members.

The Bill clearly anticipates that the dismantling of the existing cross-media ownership rules will lead to a rush of mergers in regional Australia. These mergers will inevitably lead to job cuts in the broadcasting industry. These job cuts will occur across the industry, but are likely to be most keenly felt in regional Australia.

According to one of our members:

"I think the media changes announced recently are terrible. It will only reduce the owners of media outlets and the media barons will be

bigger at the expense of smaller operators, especially in regional areas.”

It is hard to argue that this loss of employment, particularly in regional Australia is a good outcome. Broadcasting is already a limited industry for employment, and any reduction in these job opportunities will lead to a diminution of in the depth of skills and career opportunities for those working in this industry.

For regional Australians, this will mean that employment opportunities will be rare outside the major capital cities, and that these skills will largely disappear from regional cities and towns.

Local content licence conditions

CPSU strongly supports licence conditions in key regional commercial television markets to provide minimum levels of content on matters of local significance.

Local content in much of regional Australia is likely to decline as a result of abolishing cross-media ownership rules. The rationalisation of the number of media owners in the regions means that content will derive from one major commercial source and the national broadcaster.

CPSU has members working in television broadcasting who have already witnessed the significant decline of the media industry in regional areas and the smaller State capitals.

The extension of the content of local significance licence condition to Tasmania as part of this Bill is welcome. CPSU strongly urges the Federal Government to extend this to South Australia and Western Australia.

The intervention of the Federal Government into the media market to arrest this decline in content of local significance is a clear indication that there is a public policy role to regulate for content provision.

Prior to the introduction of this licence condition, commercial television companies had engaged in some “efficiencies of scale” with the result that local news content in key regional markets had all but disappeared. These are the very “efficiencies” that the Federal Government is now advocating as being beneficial for major media companies through the dismantling of the cross-media ownership laws.

This experience clearly demonstrates that allowing commercial interests of media companies to prevail, as is proposed by the Federal Government, will not lead to good public policy outcomes for media consumers.

In these smaller markets, through this Bill there will be some considerable lessening in diversity of content, but this local content licence condition will act as some sort of market brake on maintaining a minimal level of coverage.

CPSU therefore recommends that the Federal Government to establish a process and timeline for considering the impacts of this, and that this take place within 12 months of the abolition of cross-media ownership laws at a minimum.

A CPSU member has commented:

"I think it is essential that local content rules remain in place. If not, can we really expect to have an industry in the future. At present most regional stations have been reduced to little more than commercial replay houses and sales offices. Is that really the future that the government and people want?"

Multi-channelling

While the CPSU supports multi-channelling for the national broadcasters, adequate funding for the production or purchase of the additional content should be provided to ensure that there is no further thinning of resources of SBS or the ABC.

CONCLUSION

The abolition of the current cross-media ownership laws is clearly against the public interest and has nothing to recommend it. Australians will live with the adverse consequences of this retrograde public policy and the impact it will have on diversity of content and plurality of voices until hopefully in the future a better policy can be developed to replace it.

Good public policy should enhance our democratic system, not reduce public scrutiny and accountability.

Abolishing the cross-media ownerships laws is bad public policy, and the CPSU places this strong view on the public record.