



BROADCASTING LEGISLATION AMENDMENT (DIGITAL TELEVISION) BILL 2006
BROADCASTING SERVICES AMENDMENT (MEDIA OWNERSHIP) BILL 2006
Second Reading
18 October 2006

Ms GRIERSON (Newcastle) (10.34 a.m.)—I rise to oppose the [Broadcasting Legislation Amendment \(Digital Television\) Bill 2006](#) and the [Broadcasting Services Amendment \(Media Ownership\) Bill 2006](#). I support the comments made by my colleague the member for Blaxland regarding the gagging of this bill. Having had the gag used against me on several occasions, depriving the electorate of Newcastle some representation, I also condemn the government for not allowing full speaking rights to all members of this parliament on such important legislation.

I oppose these proposed new laws because they will lead to a massive concentration of media ownership in both metropolitan and regional Australia. They will also reduce competition and consumer choice and, perhaps most importantly, they are a direct threat to the free and open discussion of ideas and opinions that is the lifeblood of our democracy. This legislation will no doubt work well for media moguls who cherish the thought of some serious retail shopping therapy ahead, but it offers the Australian people nothing in return—just the ‘shop until someone else drops’ approach.

Media diversity is not simply about media ownership. It is about making sure that multiple voices, views, opinions and a whole range of experiences and interests—including those of culturally and linguistically diverse communities—are given room for expression in our media. Without diversity in media ownership, you can be sure that fewer voices will be heard on an ever-diminishing range of issues. This is no basis for a healthy democracy and it is certainly not a reflection of the communities in which we live.

Hot on the heels of the Howard government’s sedition laws, these new media ownership laws will further restrict the capacity for free and open discussion in Australia. This will have a devastating impact on our arts community in particular, and it will almost certainly redefine the nature of political life in Australia. Make no mistake: these proposed changes are extreme. Contrary to government rhetoric, they are designed to facilitate media mergers which, in turn, minimise opportunities for diverse views and opinions to be heard.

Other democracies, like the US, the United Kingdom, France, Germany, Korea and the Netherlands, have cross-media laws. These countries appreciate the protection to democracy such laws afford. The Howard government evidently does not share the concerns of these other democracies. It has no qualms about legislating to allow for a massive concentration of media ownership in Australia. This is the Howard government's third attempt in the last 10 years to scrap the cross-media ownership laws, so let us not be fooled by the Prime Minister pretending that it is not a priority for him. Of course it is. What we have before the House today is a package of legislation that very clearly looks after the interests of media moguls—certainly not media consumers.

The Broadcasting Services Amendment (Media Ownership) Bill 2006 is one of four pieces of legislation currently before the parliament to implement the government's so-called media reform package. This bill, the centrepiece of the government's package, repeals the current cross-media rules that prevent the common ownership of newspaper, radio and television assets all in the same market. Instead, media mergers will now be subject to the so-called five-four voices test, the Howard government's alleged safeguard to prevent excessive concentration. Under this test a media merger will not be allowed to occur unless a minimum of five media voices remain in metropolitan markets and four remain in regional Australia. For the purposes of this test, a voice is a commercial television licence, a commercial radio licence or a newspaper that is sold in the relevant area at least four days a week. It also includes a media group that has a combination of these assets.

The government has provided no satisfactory explanation as to why it thinks that five and four are acceptable numbers. Indeed, these numbers appear to be completely arbitrary, serving no purpose other than to pave the way for companies to reap the financial benefits of acquisitions, mergers and so-called economies of scale. Far from acting as a safeguard, the new five-four test is designed to facilitate those mergers. There are currently 12 owners of the major commercial media in Sydney, 11 in Melbourne, 10 in Brisbane, eight in Perth and seven in Adelaide. In 19 major cities in regional Australia, cities like Newcastle, in my electorate, Cairns and Bundaberg, there are six or seven owners, so the five-four rule is just a recipe for increased concentration, less diversity and fewer voices.

This fact became so obvious last week that the minister was compelled to announce that the five-four test will now be supplemented by a two out of three rule—an absurd game of numbers unfolds. The so-called two out of three rule will prevent proprietors from owning newspapers, radio and television assets in the same market. While some members of the National Party have claimed that this is a great concession, in reality it offers little additional protection for media diversity. The proposal does nothing to protect diversity in the 17 regional markets where there are only five major media voices. Let us be clear: the five-four test or the two out of three rule is absolutely no safeguard against media concentration.

In Newcastle, the media ownership bill means that we will almost certainly see a reduction in diversity. Currently we have a daily newspaper owned by Fairfax. Also counted for the Newcastle region under the new laws is the *Maitland Mercury*, which is owned by Rural Press. We have four commercial radio stations, two each of which are owned by the Macquarie-Austereo consortium and the Broadcast Operations Group respectively. We also have three different television stations, Prime, Ten and NBN, so that is seven owners in the Newcastle area. The current legislated minimum is six. The Howard government's latest legislation reduces the new minimum number of owners to four. Let us look at these local voices a little closer and see how much diversity we will be getting under the new rules.

The real test of diversity is how many different places people can get their news and other local content from. Starting with TV, I note that in the Newcastle area there is only one nightly local news bulletin, the one on NBN. Prime and Southern Cross-Ten do provide local content in the form of local news updates—which are very brief—but since Prime cut its local nightly news in 2001 there has been only one locally produced nightly news bulletin in Newcastle. This means that, for the purposes of in-depth local television news, there really is currently only one voice.

When we look at newspapers, we have the *Maitland Mercury* and the *Newcastle Herald*. For the purposes of my constituents in the city of Newcastle, you can cut out the *Maitland Mercury*, which, while a fine newspaper, serves a completely different area. So that leaves us with one voice in newspapers, that of Fairfax's *Newcastle Herald*. In radio, we have the four commercial stations split between two large owners—so two voices there. That means we really only have four voices serving the city of Newcastle: NBN, the *Herald* and the two radio groups. Thank goodness for 1233 ABC Newcastle radio.

This may seem adequate: a local paper, a local nightly TV news program and two local commercial radio newsrooms. Perhaps it is. However, under the Howard government's new laws we could see much of this diversity disappear, giving one owner enormous power over the local news received by the people of Newcastle—the sixth largest city in Australia. It would also mean cost pressures on the groups to merge their newsrooms, so that a single newsroom could be producing the same news across TV, radio and print. We all know that when the media moguls go shopping the first things they look for are ways to save, save, save.

Merging newsrooms is an excellent way for them to make these cost savings. This will inevitably result in even less diversity and journalistic quality, with people receiving the same news no matter whether they are watching TV, listening to the radio or reading the newspaper. When newsrooms merge, jobs are lost, and that really is a terrible thing to do to regional Australia. Regional newsrooms are wonderful training grounds for young journalists in particular. There are many highly respected journalists

who got their start in Newcastle—one, in fact, was John Laws—and many who have had long and distinguished careers within our city.

We have an excellent communications degree at the University of Newcastle. A diverse local media environment is essential for its students while they are studying and when they graduate. The worst-case scenario is only four different voices in our region and that is exactly what is possible under this legislation. In fact, it is highly likely. We have already seen shares in PBL put on hold pending an announcement that it may divest itself of its media assets, and we have seen Kerry Stokes showing an interest in buying Western Australian print media. We have seen speculation that Fairfax's regional papers, which include the *Newcastle Herald*, could be a target for Rural Press. In fact, regional newspapers are the fastest growing media sector in Australia, so they will no doubt be highly attractive and contested assets.

The key players are circling each other, and the Howard government's claim that it would not lead to a rush of buying and selling looks absolutely laughable. We do have a vibrant local media scene in Newcastle. Clearly I do not always agree with what gets broadcast and published, but I do feel that Newcastle's current media organisations provide a very good service for our community. Newcastle people are extremely well informed. They are always questioning and seeking answers on public issues when they contact my office. They contribute to debate in an intelligent way in the letters pages and on radio talkback.

It is not just in news and editorial content that our local media organisations contribute to the life of our community. Through sponsorship and involvement in community and charity events, local media organisations can use their reach to raise awareness of and support for local causes. Fewer owners mean fewer opportunities for our local organisations to find a media outlet to lend support to them through sponsorship or publicity. So this legislation simply does not stack up for the Newcastle community, and certainly not for the rest of Australia. It will lead to a loss of diversity for no apparent reason.

In providing a local approach, community broadcasting is also something that needs support. Currently, I am making representations on behalf of TIN Radio, a local organisation which broadcasts on the internet and on temporary frequency during special events. Such special events include the This Is Not Art Festival—the TINA Festival—which is held in Newcastle every October long weekend. TINA brings in more than 4,000 visitors to Newcastle and makes a vibrant contribution to our city, particularly for young people, our students and our artistic community. TINA is an important national festival—actually, it is the largest youth festival in Australia—that reminds us of the importance of free speech, dissent and creative thinking and passion.

I was proud to speak at the opening of this year's festival and to stay for a provocative panel discussion on the Howard government's new sedition laws. That this debate on one of our big national issues took place in Newcastle, with participants and an audience made up of mostly young people from all over the country, inspires me with confidence for the future of our democracy—even if the sedition laws and these cross-media laws do not.

During this festival, TIN Radio has access to a temporary broadcast frequency for the duration. However, I understand that this frequency—100.5FM, from Sugarloaf Range near Newcastle—is now being made available by the Australian Communications and Media Authority on a permanent basis. But there is some indication that the licence for this frequency may be awarded to a group to rebroadcast to Newcastle programming from Sydney. I understand that the group concerned, Radio for the Print Handicapped, does good work; however, when there is a clear demand for a licence and capacity to deliver programming from a local group like TIN Radio, this surely would be more relevant to the people of Newcastle and to serving localism, particularly when it would be the only local media outlet specifically focused on youth.

It would be a terrible loss if TIN Radio were not to be awarded that. We have a high teenage unemployment rate in Newcastle, and TIN Radio provides one of a number of excellent local forums in which young people can learn and gain skills. Over 100 volunteers have participated in the TIN Radio project in the past year. This is a great local contribution, and at the very least ACMA should consider TIN Radio's proposal as part of an open and transparent allocation process for any frequency being made available for community use in Newcastle. I am certainly calling for them to do so and I bring this issue to the minister's attention.

The Hunter Community Television group, Novacast, have also made a submission to the current House committee inquiry into community broadcasting, pointing out that our region has no terrestrial free-to-air community TV service. Novacast have previously sought access from ACMA to channel 31 spectrum but have been unsuccessful. I hope the committee considers the group's submission carefully. I also hope the committee thinks about the importance of community and public broadcasting under the regime to be created by this legislation. In the face of rapid technological change and the advent of new enabling technologies like IPTV and very high speed broadband—to name just two—much of this government's so-called media reform package could be obsolete within the next five years.

The technology driving this new media landscape is digital, and these changes will happen very quickly. Curiously, however, the Minister for Communications, Information Technology and the Arts does not have a serious digital plan for Australia—no plan for the future. With a switch-on date that now looks like it could push out as far as 2015 for digital TV, there are no incentives for consumers to switch to digital. We should be doing much more

to prepare for digital. It increases access to global information networks via the internet and would generate renewed interest and place greater emphasis on the need for local content in our media. We need to make sure that we protect, resource and, indeed, strengthen Australian cultural and media icons like the ABC and SBS. The role of the ABC and SBS in maintaining local content and local news, in spite of their ongoing struggles against funding constraints, will become increasingly important in a world that has such access.

So what checks and balances are there in these new media ownership laws? The Howard government has tried to make much of the so-called powers of the ACCC to examine cross-media mergers to see if they substantially lessen competition. But as the Productivity Commission has made clear:

... the Trade Practices Act as it stands would be unable to prevent many cross media mergers or acquisitions which may reduce diversity.

The fact is that the Trade Practices Act is equipped to deal only with threats to competition due to the concentration of market power. The ACCC is a competition regulator which has consistently failed, in my view, to protect small- to medium-sized businesses and operators across a range of sectors.

Significantly, the ACCC has no responsibility for protecting diversity or the powers to enhance diversity in media content or media ownership. It does not have the capacity to deal with threats to our democracy and culture through the concentration of media ownership. Those are the powers which are deficient within the ACCC. It should be given those powers. If we are to be serious, there should be a serious public interest test as well. Also, with the advent of media convergence, the ACCC must focus on the concentration of content rather than on looking solely at the mediums—that is to say, it must focus on the content of news, sports and arts, for example, not just the mediums by which that content is conveyed or who owns them.

But this is not the only concern I have in responding to the issue of media diversity. The Productivity Commission recommended a public interest test be inserted into the Trade Practices Act to encourage competition in and entry into an increasingly convergent environment. Under that test, significant media acquisitions or mergers would not be permitted unless it could be demonstrated that the merger or acquisition was not contrary to the public interest. Obviously that public interest in regional areas must include localism and the real respect of local interests. It would be a test that adequately addressed the public interest in promoting diversity of ownership and diversity in sources of opinion and information. Each case would be required to involve public consultation and would therefore reach out to the community and find out what their needs and desires are for media diversity. Currently, however, the ACCC is not able to take public interest consideration into account when

assessing the impact of mergers under section 50 of the Trade Practices Act—and this legislation does nothing to rectify this glaring omission.

Labor's approach to the issue of media ownership is based on the principle that regulation should promote the free expression of a diverse range of views. There is no doubt that free and open discussion of ideas and opinions is the lifeblood of democracy. The case for cross-media laws which restrict media companies to owning newspapers or radio or television assets in any one market remains as valid today as it did in 1987 when the laws were first introduced. I again refer to the Productivity Commission report, which spelt out clearly why diversity of ownership is so important in a democracy. The Productivity Commission stated:

The likelihood that a proprietor's business and editorial interests will influence the content and opinion of their media outlets is of major significance.

The public interest in ensuring diversity of information and opinion leads to a strong preference for more media proprietors rather than fewer. This is particularly important given the wide business interests of some media proprietors.

Diversity of opinion, ideas and a variety of lived experiences and information are fundamental to our democratic principles. We need to strengthen avenues to promote those rather than curtail media diversity in Australia. It is vital for our social and cultural development as a nation. It is vital to our collective health and wellbeing. This bill will be a disaster for media diversity in this country. It is a disaster for our democracy and clearly fails to meet that much-needed public interest test. Not only should the cross-media rules be retained; we need to ensure the introduction of an enforceable public interest test to prevent the ongoing efforts of the Howard government to concentrate media ownership into the hands of just a few already very powerful media moguls. As today's headline 'Stokes joins media frenzy' demonstrates, these laws present little more than a tremendous opportunity for some serious 'retail therapy' at the big end of town. I oppose these cross-media ownership laws in the interests of diversity, democracy and the public interest.