PRODUCTIVITY COMMISSION

BROADCASTING INQUIRY

PUBLIC HEARING
Brisbane, Friday 17 December 1999

Submission from Mr. Terry Flew
Director, Centre for Media Policy and Practice
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1. Conduct of the Inquiry

The first point to be made about the Productivity Commission's inquiry into Australian broadcasting is that it has been admirably open and rigorous. In an area such as media policy, where there are long-held suspicions of policy through backroom deals between media and political 'mates,' and where the sense of a 'first eleven' of 'real' media players and a 'second eleven' of industry, community and public interest participants exist, the Productivity Commission has sought an open and participatory process. It has also produced a *Draft Report* that, whatever the debate about its specifics, can lay claim to returning to first principles about the social, cultural, economic and technological conditions and principles that inform the goals of broadcasting, and how they are– expected to develop over time, rather than an approach which seeks to appease and accommodate existing players through a series of regulatory *quid pro quos*, whose net effect is often to lock out both critics of existing arrangements and potential new industry players, as a culture of 'fellow-traveling' between the dominant players and their erstwhile critics comes to pervade the sector.

My supplementary submission will be focused upon the area of content regulation, dealt with in Chapter nine of the *Draft Report*. I would however, like to make reference to two of the major issues dealt with in the *Draft Report*: entry restrictions, and their relationship to the transition to digital television; and the separation of licences into spectrum and broadcast licences. The critique of entry restrictions developed by the Commission in Chapters Six and Seven of the *Draft Report* is one of lasting significance, with a well-made argument that the extension of the *quid pro quo* approach- or what I will describe below as the *social contract* approach- into the field of digital television, would lead to outcomes that will :

- Reduce the efficiency of spectrum management by tying up spectrum in analog multicasting and mandated HDTV;
- Create complex, artificial and arbitrary restrictions upon the development of new services;
- Restrict the diversity of services available to consumers;
- Limit the likelihood of developing new and innovative media services in Australia;
- Maintain an anti-competitive arrangement that unduly benefited incumbent broadcasters, is contrary to National Competition Policy, and has very limited social and cultural policy benefits.

The proposal to separate broadcast licences into the licence to hold spectrum and the licence to broadcast is, however, less clear in its application. It recalls attempts discussed by Tom Streeter in his history of U.S. broadcasting policy to develop 'bright lines' between broadcast property as a tradeable commodity, and broadcasting activity as a legitimate domain of political activity by citizens on the basis of 'public interest' criteria. Streeter argues that such attempts to establish 'a hard and fast line between private property and government privilege' have proved fruitless, and that public policies to 'create a system of private control over broadcast frequencies' have proved unable to eliminate the 'soft property' dimensions of holding a broadcast licence and, hence, the 'inevitably political character' of broadcast spectrum as property. [1] The concern with the scheme proposed is that it will restrict the capacity for legitimate public involvement in how broadcast licences are used, which has historically been linked to the notion of a 'public trust' in the holding of such licences, and associated broader obligations to the community, while providing a limited pay-off in terms of more efficient 'micro-uses' of spectrum. Deena Shiff (Director, Regulatory, Telstra Corporation) has questioned the capacity for effective broadcasting and datatcasting to occur with bits of spectrum of less than 7Mhz, as well as noting the need for more detail on how the change from current embedded spectrum rights for incumbent broadcasters to a system where spectrum became a tradeable resource, would take place, at a recent Communications Law Centre seminar. [2]

2. The Crisis of the 'Social Contract' in Australian Broadcasting

Arguments which link restrictions of entry to broadcasting with the provision of 'affirmative' policy obligations, such as the meeting local content quotas and the provision of children's programming, have been described as part of the *social contract* in Australian broadcasting. The Seven Network's supplementary submission to the Inquiry defined the social contract in these terms:

> Regulation of commercial television has traditionally involved a quid pro quo - a trade off –between the social, cultural and economic objectives of the Government and the legitimate commercial objectives of licensees. If

> Governments are to continue to require commercial broadcasters to meet quotas and fulfill standards for Australian drama, children's programming and news and current affairs, justification for a regulatory regime that enables those conditions to be fulfilled will continue. Without that balance the capacity of the industry to deliver social and cultural imposts would be threatened. [3]

This *quid pro quo* approach to broadcasting policy was advocated in the FACTS Submission to the Inquiry, where it was argued that 'Regulatory limits on the number of commercial services are critical to the provision of high quality competitive commercial free-to-air services that provide local service, Australian content and other public interest benefits… [and] are a necessary precondition for the provision of community benefits of this kind in a small market.' [4] It was also advocated in some of the production industry submissions to the Inquiry, such as the Screen Producers' Association of Australia (SPAA) submission, which argued for continuation of regulatory arrangements that would see 'commercial broadcasters maintaining the benefits of a regulated oligopoly in return for meeting cultural and industry development objectives which may have otherwise been incompatible with the most profitable commercial practices.' [5]

The Productivity Commission's *Draft Report* rebutted these arguments quite comprehensively. It drew attention to the criticisms raised by production industry groups such as SPAA, ASDA, the Australian Writers Guild and the MEAA, that unequal bargaining power between the broadcast networks and the content production industry had led to program licence fees remaining static through the 1990s, in spite of high industry profitability and station licence values, so that broadcasters 'have drastically increased their profitability without passing this on to the production sector despite the rise in budgets over the same period.' [6] A recent paper prepared by the AFC and the AFFC notes that licence fees remained static in $ value and declined in real terms during the 1990s, despite profit rates for the capital city networks which have been well above corporate averages for most of the decade.[7] It notes, moreover, that these licence fees are about 45-50% of the budget for series drama and as low as 20-25% of budget for miniseries and telemovies, in contrast to domestic licence fees at about 70% of budget in the United States and Britain. Aisbett has recently reported that, in the area of children's television production, licence fees have fallen from 30% of budget in 1989 to about 15% today for live action dramas, and as low as 10% for some animated series. [8]

The complaints of local producers about network licence fees are compounded by the criticisms of writers of the producers, as seen in a recent letter signed by 150 'Angry writers', and published in the industry magazine *Encore*, which accuses television drama producers of paying static rates for scripts for most of the 1990s, to the point where these writers have 'now arrived at the point where our work has become so undermined, undervalued, and underpaid that some of the most experienced of us are considering abandoning the industry.'[9] The table below indicates, however, that whatever the problem was, it wasn't a lack of profitability in Australian commercial television.

RATES OF RETURN FOR AUSTRALIAN COMMERCIAL TV 1990-98 AND ECONOMY-WIDE INDICATORS

Year	Ratio of earnings to tangible assets in capital city commercial TV	Ratio of earnings to total assets: all industries	10 year bond rate
1990-91	2.1	7.4	11.2
1991-92	27.5	6.0	8.9
1992-93	24.6	7.3	7.4
1993-94	30.8	8.0	9.7
1994-95	31.0	na	9.2
1995-96	34.2	na	8.9
1996-97	30.0	na	7.1
1997-98	20.2	na	5.6

Sources: Bureau of Transport and Communications Economics, *Australian Commercial Television 1986-1995: Structure and Performance* (AGPS: Canberra 1996), p. 78; Productivity Commission, *Broadcasting: Draft Report* (Canberra: Ausinfo 1999), p. 42

The Commission also argued that those areas that are governed by content quotas- Australian drama, Australian children's programs, and documentaries- accounted for \$105.1m (14%) of total commercial broadcaster expenditure on programming, and 5% of the broadcasters' total expenditure of \$1.94bn in 1996/97. Further, this cost was in no way commensurate to the benefits derived from restricted access to commercial broadcast licences, calculated at \$347.2m in Sydney and \$201.2m in Melbourne.[10] The claim that the entry of new competitors would fragment advertising revenues was also rejected, with the observation that growth in advertising expenditure had been strong throughout the 1990s, and that greater competition for advertising expenditure was potentially as beneficial to incumbent television broadcasters as it would be disadvantageous. Not surprisingly, the Commission's *Draft Report* framed its rejection of arguments for restricting entry to broadcasting in order to realise other social and cultural policy objectives in the strongest terms:

> Restricted entry has long been justified by the industry on the grounds that it is necessary to enable it to meet the higher costs of local content programming required for cultural policy purposes. The Commission is not satisfied that such compensation is justified: many industries are required to incur higher costs to meet various policy objectives, from health (pharmaceutical) to environmental standards. Furthermore, the relatively small value of the higher program costs does not appear to be commensurate with the high value of restricted entry, as indicated by the value of broadcasting licences. [11]

3. A New Approach to Local Production Support?

The social contract approach to local production support, which traded off restricted entry to the sector and privileges to incumbent broadcasters for distribution of the resulting surpluses to 'affirmative' obligations in the areas of locally-produced drama, children's programming and documentary, has proved less and less effective over the 1990s. While the commercial networks have earned above-average profits for most of the decade, there has been a conspicuous failure to see these surpluses distributed to the local production sector, as reflected in the static or declining value of program licence fees. The claim that content quotas for local drama production, children's programming or documentaries should therefore be abandoned since they are not delivering to the local production industry is, however, mistaken.

Arguments for replacing local content quotas with a subsidy-based approach have included:

- greater transparency of the mechanisms for assistance;
- ability to better target funding towards specific outcomes;
- reducing the 'implicit costs' of assistance;
- incentives created for networks and program producers to respond to marketplace and/or government signals about appropriate directions for future program development.

By contrast, advocates of the quota-based approach to Australian content have responded by pointing to:

- the dangers of shifting the implicit costs of local content from the broadcast networks to taxpayers as a whole under a subsidy-based system;
- concerns about subsidies being reduced over time;
- the value- both financial and symbolic- of the transmission quota and specific content quotas in securing an ongoing and public commitment on the part of the broadcast networks to Australian production which has a proven appeal to local audiences.

Whatever the concerns among economists about the hidden costs of quotas, they have two abiding advantages over subsidies as a means of addressing 'market failure' and supporting social and cultural policy objectives in the broadcasting industry: by being targeted at program distribution rather than production, they tend to ensure that quota-supported programming is actually broadcast; and they place the cost of regulation with the broadcasters rather than the taxpayer. In a situation where broadcasting markets are not truly contestable, and where above-average profits and high licence values are the norm, it would be inappropriate to pursue content deregulation before other mechanisms to promote competition in broadcasting, and hence improve the overall demand for locally-produced programs, were in place.

At the same time, if there is greater competition for audiences as a result of technological changes making new services available and increasing 'competition for the eyeballs,' and policy changes which make media markets more contestable, the surplus profits of the commercial free-to-air broadcasters can be expected to diminish over time. After five years of operation, the impact of pay TV services on the commercial free-to-air sector is becoming apparent, with 15% of households now subscribing to pay TV, and pay TV services having particular pull with younger audiences and in non-prime-time viewing periods, and proving very competitive for movie and sporting rights. This need not necessarily be bad for the local production industry, any more than surpluses failed to prove good for the local production sector, as it will clearly increase the number of potential outlets for locally-produced material. These new outlets, such as pay services, will, however, accentuate rather than alleviate the 'market failures' that have led to content regulations for social and cultural policy objectives, since they program proportionately more imported material, and they will provide profitable niche services rather than comprehensive broadcast services. The failure of drama-based pay TV channels to reach a quota set at 10% of production budget provides a cautionary note here.

4. The Commercial Television Production Fund (CTVPF) Experience

One possibility is that quotas on commercial free-to-air broadcasters remain in the medium term, but that a subsidy-based system for assisting local television production is developed alongside the quotas. An example of such an approach operated in Australia during 1995-97, with the establishment of a Commercial Television Production Fund (CTVPF) as a Keating Government *Creative Nation* initiatives in the area of television, that was provided with $60 million in funding over three years, to 'give Australians access to a wide range of high quality Australian programs… increase Australian content on our screens, strengthen the industry at large and provide it with additional support during the onset of the new communications era.' [12] Funding was divided between the commercial television licensees, who received 45% of the Fund's budget, and the independent production sector, which also received 45% of the Fund's budget, with 10% set aside for children's programming that meets the C classification. The CTVPF was not an alternative to existing film industry support programs, whose funding would not be reduced as a result of this initiative, and projects funded through the FFC or the AFC would be ineligible for support from the CTVPF. It was also intended to increase the amount of quality Australian programming screened on commercial television and, to this end, programs funded through the CTVPF would not count towards the Australian content quota.

The CTVPF commenced operations in 1995, with the objectives of:

1. Supporting high quality Australian television in a way that will increase the amount, diversity and quality of Australian television drama, documentaries and children's drama programs;
2. Provide a boost for domestic production by increasing opportunities for independent producers, writers, directors and actors and to strengthen the industry at large;
3. Provide support to the broadest possible range of applicants;
4. Encourage a more representative portrayal of Australia's cultural diversity by encouraging applications from people of diverse cultural backgrounds;
5. Encourage projects with export potential;
6. Support the development of libraries of copyright majority controlled by Australians. [13]

Under the scheme, proposed projects would be assessed by an independent CTVPF panel, and would be required to have secured a pre-sale for Australian free-to-air rights from a television network, and to have derived at least 20% of their budget from sources other than the CTVPF. During its three years of operation, the CTVPF funded 38 new programs with a total budget of $74.5 million, out of a total CTVPF contribution of $55 million, and the balance levered from the commercial networks and private investors. The genres funded included 3 miniseries, 12 adult drama telemovies, 2 children's feature films, 9 documentaries and one documentary series, and one anthology series. Of these 38 CTVPF-funded projects, 6 were subsequently developed into series, 12 achieved high ratings, 11 received industry awards and nominations, and 17 secured overseas sales.[14] The 6 CTVPF-funded projects that were subsequently developed into series generated an additional 186 hours of Australian drama content, with a total production budget of about $60 million. As the figures below indicate, the CTVPF was also proving to be more successful over its three years of operation in levering funds from other investors (including the commercial licensees), and in generating more program content for CTVPF funds:

Australian Commercial Television Production Fund- Activities 1995-96 to 1997-98

	Number of Programs	Hours of Content	CTVPF Funds ($m)	Total Budget ($m)	CTVPF/ Total (%)	$ p/hr of CTVPF Funds
1995-96	10	26	$20.7m	$25.5m	81.1	$0.79m
1996-97	13	26.5	$21.7m	$30.4m	71.4	$0.82m
1997-98	13	29	$12.6m	$18.6m	67.7	$0.43m
Total	**38**	**81.5**	**$55m**	**$74.5m**		

Source: Australian Commercial Television Production Fund, Report to 31 December 1998.

The evidence indicates that the CTVPF had improved its performance in contributing to media policy objectives in its three years of operation. Further, if the projects developed subsequently as series dramas are seen as a by-product of CTVPF funding, then the program led to the production of 267.5 hours of new quality Australian television production over three years. The contribution of this production was between 45-70% of the total number of hours of Australian drama broadcast in 1997 that was eligible under the Australian TV drama quota, or a contribution roughly equivalent to two one-hour series or one half-hour nightly serial drama.[15] The impact of abolishing the CTVPF is thus considerably greater than the maximum anticipated impact of the High Court's finding under the Project Blue Sky case allowing New Zealand produced material to count towards Australian TV production quotas. Further, the $55 million of CTVPF funding generated a total of $134.5 million in investment in new Australian productions, and the CTVPF levered about $2.50 of private funds for each $1 of public money invested. While it is difficult to directly compare this to other film and television funding schemes, they do not point to a scheme that had failed to meet its objectives, and, moreover, CTVPF had been proving more cost-effective over time in promoting new developments in Australian television drama production.

In spite of these apparently positive outcomes, however, the Minister for Communications, Information Technology and the Arts, Senator Richard Alston, wound up the CTVPF in 1998, after a lukewarm assessment of the Fund's impact in the Gonski Report. [16] The demise of the Fund appears hasty, and to have a lot to do with perceptions on the part of the new Coalition Government that it was created at a time of low commercial licensee profitability that had now been reversed. [17] Its association with the previous Keating Government would also not have helped nor, apparently, did the name, which created a perception that it was a 'slush fund' for the commercial networks. While the demise of the CTVPF was 'lamented' by the production industry at the time, the decision to abolish it attracted nothing like the concern within the industry as changes which arguably have less impact on local production, such as the inclusion of New Zealand-produced material in the Australian Content quota as a result of the 1998 High Court decision on the Project Blue Sky case.

5. Comparing the CTVPF and New Zealand On Air (NZOA)

A recent ten-country comparative study of local content rules, commissioned by NZ On Air, observes that the Australian approach to local content is highly developed in its combination of both transmission quotas and genre-specific quotas as a condition for holding a commercial free-to-air broadcasting licence, with the further existence of government funding mechanisms to support local content production. [18] With local content levels of about 55-60% across commercial broadcasting and the ABC (excluding SBS), Australia was among the mid-ranked countries in terms of overall local content on free-to-air television, below the United States and Britain, but comparable to Canada, Norway, Finland, South Africa and Ireland, and significantly ahead of Singapore and New Zealand. [19] Australia and Canada were also distinctive among the countries surveyed in having local content quotas for pay TV services, outside of the impact of EU quotas. [20]

The introduction of the CTVPF effectively introduced a 'quota plus subsidy' system to the support mechanisms for Australian commercial broadcasting, and provides a useful case study of what may be the implications of a subsidy-based approach to supporting local broadcasting content might look like. Although it is a limited case study in the sense that CTVPF-funded content was a top-up to local production quotas rather than an alternative, it is worth considering its implications for cultural policy, particularly since the BTCE, economist Franco Papandrea and the Productivity Commission have argued the need to move towards such a system as new technologies and services are developed, and as broadcasting in increasingly globalised. [21]

Although subsidy-based mechanisms for promoting local content are usually argued for on the basis of their greater consistency with a market-based approach to programming than a quota-based system, they paradoxically involve greater intervention by public bureaucracies in determining what is produced and 'picking winners' in programming than quotas, which proscribe the overall level of commitment rather than its specific content. Drawing upon the experience of NZ On Air (NZOA) as well as the CTVPF, this is, again paradoxically, the principal source of strength in such schemes. Avril Bell has observed that the principal achievements of NZOA have been:

- Promoting greater efficiency, transparency, accountability and contestability in the use of public funds to support local production;
- Targeting of public funds at the programming genres most 'at risk' from competition from imported product, such as drama;

- Provision of content for 'minority' audiences, including children and the indigenous Maori people;
- Promotion of a more culturally diverse sense of the 'national imaginary' to local audiences;
- A clear identification through program 'branding' of the relationship between NZOA-funded programs and the compulsory licence fee for ownership of TV receivers;
- Promotion of a distinctive image of New Zealand to global audiences through exportable audiovisual product.[22]

The first three of these objectives are less relevant in the Australian case, due to the greater commitment to the financial support of public broadcasting, the existence of genre-specific quotas for drama, children's programming and documentary, and the support for 'minority' broadcasting through funding to the ABC, SBS, community broadcasting and the indigenous broadcasting sector. At the same time, there is the question of how to present so-called 'minority' issues to the 'mainstream' audiences of commercial broadcasting, and the role for broadcasting services in Australia under Objective 3 (e) of the *Broadcasting Services Act* in 'developing and reflecting a sense of Australian identity, character and *cultural diversity*,' and whether this cultural policy objective can ever be adequately met through a purely market-based approach to program development.

In its consultation on the establishment of the CTVPF, the ABA noted that a major area of contention between production industry groups and the commercial broadcasters was between the possibility to use the Fund to 'support programs that are innovative in form or content,' and the need for such goals to be 'tempered by the realities of the commercial market.' [23] The failure to decisively resolve this tension is perhaps attested to by the requirement that projects would be assessed on the basis of the 'innovation and/or marketability of the concept or storyline.' [24] The strengths of a quota system, by contrast, are that it places the costs of local content development with the broadcasters rather than the taxpayer, it provides certainty in what will be supported, and, as the authors of the comparative study for NZ On Air note, 'they can work- broadcasters find ways to accommodate them and they have a powerful impact on stimulating and building up the local production industry,' as attested to by the cases of Australian and Canada. [25]

The CTVPF had minimal administrative costs attached to its distribution of program production funds, and the projects it funded seem to have met a series of quality, industry development, export and critical objectives reasonably well and, moreover, to have improved their delivery of 'outcomes for the $' over time. Nonetheless, it disappeared quietly with few backers anywhere in the sector. One reason why the CTVPF had few friends was, interestingly, its name, which suggested that it was a 'slush fund' for the commercial networks that could be turned on in times of difficulty and turned off in times of profit, as the 1990s have mostly been for the commercial networks. The CTVPF in this sense is in sharp contrast to NZOA, which has more fully adopted principles of competitive neutrality in its approach to the funding and the distribution of programming, whereby all NZOA-funded programs are equally available to the commercial free-to-air, public and pay sectors. Were any initiative comparable to the CTVPF to be developed in Australia in the future, it would be strongly recommended that it follow the NZOA example, and become a program funding agency with clear objectives in terms of the type of project it would support, but be able to offer project funding to all broadcasting sectors on a contestable basis.

6. A Creative Production Fund

The CTVPF provides a useful insight into how a targeted subsidy-based scheme may contribute towards meeting the social and cultural policy objectives associated with promoting the production and broadcast of local content in selected areas of identifiable social need and/or market failure. The clear implication of the CTVPF scheme, however, is that its activities should not be restricted to any one broadcasting sector, but that the financial assistance that it provides to program development should be accessible on a competitive basis across the commercial, national, subscription broadcasting and other sectors, subject to commitments that the program be broadcast in Australia backed by an up-front commitment to the program's budget.[26] There is no 'in principle' reason why, with the further development of multimedia and media convergence, such support mechanisms could not be extended to other media forms, with the important proviso that project were funded with a clear intention to reach identifiable audiences and meet social and cultural policy needs, and that there was additional financial support from industry for the project's development.

Sensitivities may exist about creating another scheme for supporting cultural production, particularly given skepticism among the 'battlers' about the social value of arts subsidy, the existence of other funding mechanisms (such as the AFC and the AFFC), and the various other claims upon public funds. This raises three issues that should be priorities for the cultural sector in addressing this, or any other scheme, for public support for cultural policy and creative production goals:

- Demonstrating the economic value of support for national cultural industries in a globalised cultural economy. Whatever the merits of its particular schemes, the Keating Government's *Creative Nation* statement had the virtue of placing cultural industries at the centre of strategies to negotiate globalisation, cultural pluralism and national identity;
- The fund should be 'branded' in such a way that audiences are aware of the contribution of public revenues to putting the material to air, and that the programs supported are in turn developed with its prospective audiences in mind;
- Linking the funding of the scheme to other initiatives, rather than replacing an existing scheme with the new fund. The obvious case study here is the use of funds deriving from the sale of the public share in Telstra to support environmental and heritage initiatives. The scheme should be seen as something that adds to social wealth, and promotes cultural industries development and cultural exports, rather than as an alternative to existing audiovisual industry support mechanisms.

[1] Tom Streeter, *Selling the Air: A Critique of the Policy of Commercial Broadcasting in the United States* (Chicago: University of Chicago Press 1996). pp. 245, 251.
[2] Terry Flew, 'High Definition Recommendations for the Broadcasting Industry,' *Communications Update*, No. 161, December 1999.
[3] *Supplementary Submission by the Seven Network to the Productivity Commission Inquiry into the Broadcasting Services Act 1992*, Submission No. 151, August 1999, pp. 4-5.
[4]FACTS, Productivity Commission Inquiry into Broadcasting, *Submission from the Federation of Australian Commercial Television Stations,* Submission No. 49, May 1999, p. 12.
[5] Screen Producers Association of Australia, *A Submission to the Productivity Commission Review of Broadcasting Legislation*, Submission No. 47, p. 4.
[6] Australian Screen Directors' Association, Submission No. 110, p. 4.
[7] Australian Film Commission and Australian Film Finance Corporation, *Report on the Film and television Production Industry*, prepared in response to a request by the Minister for the Arts and the Centenary of Federation, the Hon Peter McGauran MP, 5 November 1999.
[8] K. Aisbett, 'Production of Australian Children's Drama: Is there a Future?,' *Media International Australia*, No. 93, November 1999, p. 43.
[9] Quoted in *Filmnet daily 2.171*, 6 December 1999; Filmnet - http://filmnet.org.au - The Oz Film Industry Website and Free Daily Email Newsletter.
[10] Productivity Commission, *Broadcasting: Draft Report*, op. cit., pp. 143, 147; cf. Australian Film Commission, *Get the Picture*, 5th Edition (Sydney: AFC 1998), p. 165.
[11] *Ibid.*, p. xxxvi.
[12] *Creative Nation*, op. cit., p. 48.
[13] Australian Film Commission, *Commercial Television Production Fund Guidelines*, August 1997, p. 2.
[14] Australian Commercial Television Production Fund, *Report to 31 December 1998*. I thank Harvey May for making this material available to me.
[15] Figures taken from Australian Broadcasting Authority, *Discussion Paper: Review of the Australian Content Standard*, Australian Broadcasting Authority, Sydney, July 1998, pp. 70-71.
[16] D. Gonski, *Review of Commonwealth Assistance to the Film Industry* (Canberra: AGPS 1997), pp. 60-62.
[17] T. Flew and H. May, 'Creative Nation: Five Years On,' paper presented to *"Stirred not Shaken: Communication Challenges and Change,"* Australia and New Zealand Communications Association Annual Conference, University of Western Sydney, 5-7 July, 1999; cf. T. Prisk, 'Budget scraps CTPF,' *Encore*, Vol. 16 No. 10, May 11-24, 1998, p. 1; A. Meade, 'TV producers feel squeeze,' *The Australian*, 26 March, 1999, p. 18.
[18] *Local Content and Diversity: Television in Ten Countries*, A Report for NZ on Air, June 1999.
[19] *Ibid.*, p. 6.
[20] While there is a common EU policy on applying European content quotas to cable and satellite broadcasting, there are very different degrees of commitment to its implementation within the EU, from a strong commitment in France, to a very weak commitment in the United Kingdom, Spain and Portugal, with the latter groups of countries more oriented towards global geo-linguistic regions than to Europe in terms of audiovisual content. See P. Schlesinger, 'From Cultural Defence to Political Culture: Media, Politics and Collective Identity in the European Union,' *Media, Culture and Society*, Vol. 19 No. 3, 1997.
[21] BTCE, *Economic Aspects of Broadcasting Regulation* (Canberra: AGPS 1991) pp. 251-257; F. Papandrea, *Cultural Regulation of Australian Television Programs*, BTCE Occasional Paper 114 (Canberra: AGPS 1997), pp. 214-219; Productivity Commission, *Broadcasting: Draft Report*, op. cit., pp. 235-240.
[22] A. Bell, '"An Endangered Species": Local Programming in the New Zealand Television Market,' *Media, Culture and Society*, Vol. 17 No. 2, 1995.
[23] ABA, *Report to the Minister on the Australian Commercial Television Production Fund*, 1995, p. 16.
[24] AFC, *Commercial Television Production Fund Guidelines*, op. cit., p. 6.
[25] *Local Content and Diversity*, op. cit., p. 9.

[26] In practice, CTVPF-funded programs did appear on non-commercial broadcasters, such as the documentary series *Barry Humphries' Flashbacks*, that was screened on the ABC, even though it was commissioned by the Seven network.