

PACIFIC-RIM REPORT

The 1990's will undoubtedly mark the continued growth of world trading blocs — groups of countries which are bound by common regional interests, close trading ties and a unified approach to international political and economic issues. The EC is the example par excellence of this development. Any western European country which is not part of the EC risks becoming an economic pariah.

This trend has espoused the Closer Economic Relations treaty between New Zealand and Australia. However, although these countries share bonds forged by proximity and common traditions, New Zealand and Australia are also part of a larger Pacific-Rim region. This region is now the fastest moving and most rapidly expanding in the world. Nowhere is this more evident than in communications.

The communications industries of almost every country within the region are currently undergoing far-reaching structural change. This change is occurring in response to new consumer demands, rapid industrial development and emerging technological possibilities. In a region with so many linguistic and cultural differences, as well as vastly differing rates of economic development, the solutions crafted to meet the demand for more and better communications services will vary greatly. Nevertheless, many of the issues — such as private versus public ownership and foreign as opposed to local control — are common.

Communications-related changes across the region will provide a unique opportunity for regional exchange of ideas, skills, technology and goods and services. In recognition of those opportunities, and to assist us all in gaining a better understanding of them, the Bulletin will be publishing the Pacific-Rim Report as a regular feature. Each report will focus on some aspect of regional communications-related developments.

We are proud to present as the first report an excellent article by Mr Malcolm Long, Assistant Managing Director of the Australian Broadcasting Corporation, on the audio-visual revolution within the Asia/Pacific region. Malcolm is responsible for a series of broadcasting initiatives taken by the ABC in Indo-China. Most recently, he has been responsible for the development with the UN Transitional Authority for Cambodia, of a broadcasting infrastructure for use by that authority.

Malcolm's article is an edited version of an address he delivered to the Annual CAMLA Dinner. However, it clearly deserves a wider audience than those of us who were fortunate enough to attend the dinner.

The Editor

The Audio-Visual Revolution in the Asia/Pacific Region

Malcolm Long provides an overview of developments in the region

Just over two weeks ago the significance of broadcasting developments in the Asia/Pacific Region was demonstrated to me in a very direct way. While visiting Hanoi, I collapsed into a chair in my hotel room after a hard day's work and switched on the television set. I was greeted by what is probably the ultimate example of tacky materialism on television. "Lifestyles of the Rich and Famous" was playing early evening on Tuesdays and Thursdays in Hanoi. If you stay at the right hotel, it comes straight off the satellite from Hong Kong.

This experience suggests to me that things are moving very fast in broadcasting in our region, that there truly is an audio-visual revolution underway.

In fact it seems to me that the Asia/Pacific area has become something of a laboratory where all the big issues of broadcasting are being tested. What are the limits to the independence of the broadcasting media? Should national cultural policy determine broadcasting freedoms? Is it possible (or desirable) to restrict access to international television? What should be the balance between public and private enterprises in broadcasting? And how can broadcasting help national development?

Let me deal with three aspects of broadcasting and the provision of audio-visual services in the Asia-Pacific region which convey some idea of the rapid and fundamental developments which are now underway.

First, I want to look at regional satellite broadcasting, secondly, the move towards privatisation in broadcasting in the region and then, I want to say a few words about the unevenness of broadcasting development between Asia/Pacific countries.

Regional Satellite Broadcasting

In the suburbs of Bangkok there is a large factory which makes satellite receiving dishes. The factory currently exports about 500 dishes per month. The owners of the business believe that very shortly they will be exporting 500 dishes per week. Their mid-

range product is a steerable, three metre satellite receiving dish with decoder/control unit which sells for less than US\$2,000.

Having acquired a dish, and as long as you live somewhere between Sri Lanka and Taiwan, Darwin and Central China, you can watch about twenty different television services. Most of these are free to air so anyone who has a dish can watch. A few are encoded and require the payment of a fee. Services include television programming from Malaysia, Indonesia, China, Russia, Vietnam, Hong Kong, Britain and the United States. More than half the programming is in English.

A popular service is Star TV. It is delivered by Asia's first private communications satellite called ASIASAT 1. Star TV is free to air, carries advertisements and offers five separate streams of programming.

Star TV has been a ground breaking venture in Asia, in at least two ways. First, it seems to be holding its own financially. Reportedly, Star TV had revenue of about HK\$546 million by September 1991 and claims to be within budget projections on advertising. Break even is expected to take three years.

Secondly, the service has had an impact well beyond the hotels, resorts and individual dish-owning middle classes in Asia. Community sharing of dishes means that millions of people in tenements and villages have access to Star and other international satellite television channels. In India Star TV has brought pictures of natural disaster to villages before official Indian television.

Each transponder of ASIASAT can carry up to six different audio tracks and it has been reported that Star's BBC News service will begin a Mandarin sound track this year and that a Hindi sound track may follow.

Television Explosion

These services are just the beginning of the explosion in regional television in the Asia/Pacific area. Later this year our

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satellite dish from Thailand will most likely also be able to pick up CNN, ESPN Sport, a regional version of Home Box Office America and Business News Network from Hong Kong.

At present the capacity for television services of regional satellite is almost fully utilised. However, satellite operators aware of the enormous potential for audio visual services in the region have plans to change all that. Thaisat with its long footprint stretching from the middle of Indonesia north will be launched next year, followed the year after by Measat from Malaysia. An American Panamsat serving the Pacific and South East Asia is also due for launch in 1994. A satellite from Unicom Corporation in the United States (using by the way an orbital position assigned to the Republic of Tonga) will provide another regional service in Asia in 1995.

How much of the capacity of these satellite systems is used for audio visual services remains to be seen. In theory, national policies in the region toward the regulation of international television reception will be a major factor. In many countries in South East Asia, such as Singapore and Malaysia, the ownership by individuals of satellite receiving dishes is illegal.

The nations of the region are nervous. There can be no doubt that the growth of the international television services will have major cultural impact.

My own impression is that it is probably going to be fairly futile in the long run to attempt to prevent the citizens in any of the countries in the region from tuning into international audio visual services.

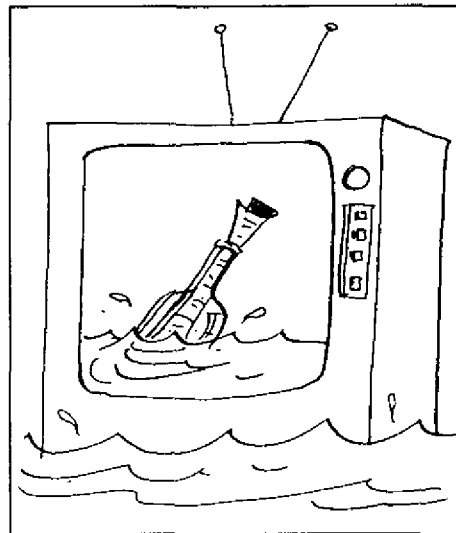
I suspect that it will be more important to mount Asia/Pacific based services on the satellites that begin to provide real competition to the predominantly American and European material that is currently available. Despite the difficulties of language, taste and religion it seems to me that satellite television itself is going to be an important area for attempts by the nationals of the Asia Pacific to collectively demonstrate a measure of programming independence.

Privatisation of broadcasting

But another way of countering the influence of international television services will come through the reform of existing broadcasting structures in the countries of the Asia/Pacific region. This leads me to the second aspect of broadcasting developments in the region which I want to mention: the striking of a new balance between public and private enterprise in broadcasting.

For most of its history broadcasting in the Asia/Pacific area has been done by public institutions. Following the European tradition that using a public resource — the airwaves — was a public trust and therefore should be controlled publicly, most nations in the region established government instrumentalities to run radio and then television.

There is now underway in the Asia Pacific area massive structural change to this centralised, bureaucratic approach to broadcasting. The change is not evenly spread across the region. In some countries it simply means a modest opening up of the national broadcaster to new program sources and the evolution of administrative structures which free the national broadcaster somewhat from the day to day processes of the state bureaucracy. In other countries, however, the change is much deeper involving the fundamental reshaping of the broadcasting landscape.



I think there are a number of reasons for these changes:

1. The national broadcaster is often seen as a bloated, somewhat arrogant monopoly. The economic rationalists in government in the region can argue a strong case that there should be competition in broadcasting, if only to put pressure on the national broadcaster to operate more efficiently and be more responsive to audience needs.
2. I think there has been something of a recognition of the role that competitive and commercial local media can play in economic development, especially in the consumer goods sector. In addition, commercial broadcasting can, of course, be a profitable business in itself. The will to resist well resourced entrepreneurs who wish to start up a new broadcasting venture is blunted by

the promise of increased employment, and an attractive tax take for government.

3. As I suggested, the growth of internationally delivered media is the third reason for structural change in broadcasting. Nations simply have to respond to the flood of audio visual material that is coming across their borders. The best defence against culturally incompatible foreign material is to extend the range and quality of local production.

The results of these pressures for change are now plain to see across the region.

In Singapore, the Singapore Broadcasting Corporation will be privatised in two years. The station's three television channels will be operated by private companies owned by a central holding company but a government spokesman said it will eventually sell off part or all of its shares. This year Singapore will also introduce pay television which will be available encrypted on UHF. Private radio has also come to Singapore with two new FM services joining the seven services offered by the SBC.

In Indonesia, the services provided by the national broadcasters RRI and TVRI have been joined by two commercial television services — TPI which broadcasts nationally and RCTI which heads a network of regional commercial broadcasters. This latter station has become the local Indonesian partner for CNN/ESPN/HBO which will operate an initially limited pay TV service from later this year.

In Malaysia plans have been announced to turn the national broadcaster RTM into a corporation. A commercial television operator TV3 continues to develop its national coverage and RTM will shortly be introducing a pay TV news channel which will be aimed mostly at urban and foreign audiences in Malaysia.

In the Pacific, the Fiji Broadcasting Commission is about to undergo a major restructure which will see the organisation operating on a commercial basis, and commercial television is due to be established on a permanent basis in the near future.

Radio Television Hong Kong is in the process of a major and controversial corporatisation restructure.

But as I said earlier, the nature of structural change in broadcasting in the Asia Pacific varies throughout the region. In the countries of Indochina an entirely different order of change is currently underway. After so many years of

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separation from their regional neighbours, Laos, Vietnam and Cambodia are now rapidly developing new open door policies which are having an impact in broadcasting as well as in economics and politics.

In Vietnam for example, the national broadcasters, Radio Voice of Vietnam and Television Vietnam, are vigorously involved in reassessing their role and capabilities. The Vietnamese government is currently considering whether these radio and television organisations and extensive district and regional stations in both media should be reformed into a new organisation.

The trend towards liberalisation in broadcasting in the countries of the region is an exciting development. There is a danger, however, of privatisation going too far.

As in eastern Europe, the reaction against government "broadcasting" can lead to a total and naive embracing of the "market" alternative. In fact it is possible that the only enduring defence that the nations of the region will have against the tidal wave of foreign audio-visual product coming their way, will be a national broadcaster with a specific charter to reflect a national culture and undertake local production.

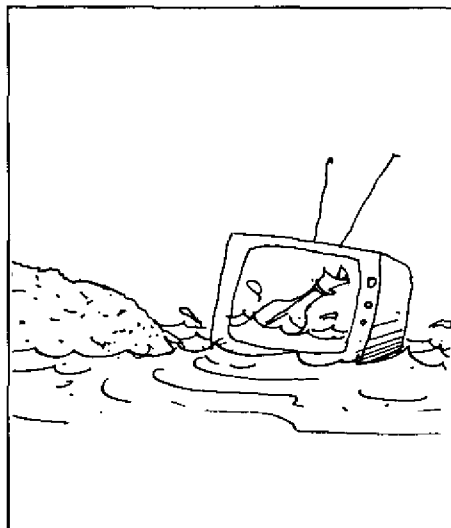
My own view is that, in what might be called mature multi channel, audio visual environments, it is probably only an adequately funded public service broadcaster that can provide a guarantee that the dimension of national culture will be reflected in the broadcasting system.

The pressures for globalisation make any other mechanism of guaranteeing local production difficult and perennially controversial. (But that is not to say of course, that those mechanisms should not be tried).

Uneven broadcasting development

The last aspect of broadcasting change in the Asia/Pacific region that I would like to comment on is, for me, the most interesting and important. There has developed an enormous disparity between the nations of the region in terms of broadcasting sophistication and infrastructure.

If you believe that broadcasting and mass media development are inextricably linked with economic and social advancement, then there is a major need in the region for the broadcasting rich to assist the broadcasting poor. Let me draw



a contrast which is somewhat extreme but which illustrates the gap that now exists.

Thailand by world standards is a very advanced nation in broadcasting. It was, I understand, the first country in South East Asia to introduce television forty years ago, and the first to introduce commercial television. Thailand has five national television channels. In Bangkok there are also two pay TV services both on the air 24 hours each day. In addition many citizens watch international television services direct via satellite. When *Thaisat* goes into orbit next year there will be even more services available.

In radio, there are several hundred stations in Thailand. Some already use regional satellite capacity to distribute programs. A successful newcomer to Bangkok radio is FM 100, a station which only broadcasts traffic reports and relies on motorists phoning in from their car phones to constantly update traffic information throughout the day. The station is said to be making a fortune in advertising. Those of you who have experienced Bangkok traffic will know that the station's future is assured.

Less than five hundred kilometres from Bangkok which bristles with broadcasting riches, is Phnom Penh, the hapless capital of Cambodia. The international pariah is now, as a result of the UN Peace initiative which Australia and other nations in the region so vigorously sponsored, beginning to contemplate its own reconstruction.

Mass communications will be a crucial aspect of the reconstruction process in Cambodia. The country's people are hopelessly fragmented geographically and politically. There are no national newspapers. The national telephone system is almost unworkable. The government broadcaster Radio Television Cambodia is in a desperate state. Television broadcasts are very limited so radio is the key medium.

Radio Cambodia produces programs on equipment that is now 20 to 30 years old. It is maintained in service by staff who exercise extraordinary electronic ingenuity. It broadcasts a domestic service for a total of seven hours a day. The hours are restricted by the cost, reliability and availability of what most broadcasters take for granted — electric power. Outside Phnom Penh transmitters depend on generators. Fuel costs often mean that broadcasting simply does not occur.

One of the biggest problems for broadcasters in Cambodia, and this is also true in Laos and Vietnam, is the lack of radio receivers. In Vietnam for example only about fifty percent of the population has access to a receiver. One of the major difficulties with receivers is the cost of batteries. For a Vietnamese farmer regular replacement of batteries can be a major expense. Some current UNESCO work on cheap solar powered receivers is attempting to address this problem.

The point about drawing this contrast between the broadcasting rich in Bangkok and the broadcasting poor in Vietnam is simply to demonstrate that one of the major issues in the region remains access to basic broadcasting services.

We take for granted a kind of constant backdrop of electronic information and stimulation, much of it delivered by broadcasting. But for a nation like Cambodia, or Vietnam, or indeed parts of Indonesia or Papua New Guinea, providing basic broadcasting signal nationally has been an enormous technical and economic struggle.

The importance of effective broadcasting to underpin almost all other forms of development is becoming increasingly well understood and its provision is a challenge of national and regional significance.

Opportunities and Responsibilities

To finish, allow me to make a few observations about the opportunities and responsibilities Australia might have sitting, as we do, on the southern edge but very much in the region I have been talking about.

First, there are growing opportunities for Australian producers of audio-visual material to sell product in the region. The Asia/Pacific is still a very modest market by world standards but, especially in niche services, very real opportunities exist. The interest in English language material is strong. This together with a very obvious interest in educational,

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Print Media Inquiry

The House of Representatives Select Committee on the Print Media has released its report. The report has rejected proposals to reduce the level of concentration in Australia's newspaper industry on the grounds that it would threaten the viability of proprietors. Instead it claims that its recommendations will prevent further concentration and lead to greater diversity in the long term.

Some ALP Caucus members are apparently unhappy that the Committee did not deal with the issue of diversity and develop a plan for requiring divestiture. In particular, some have argued that the Trade Practices Commission should have been given divestiture powers. But Mr Michael Lee, Chairman of the Committee, said divestiture powers were unfair, difficult to implement and a threat to the viability of units that would be left as a result. By rejecting proposals of divestiture, the present nature of the industry will remain for the short term.

Two dissenting reports by coalition members on the Committee were also tabled.

TRIBUNAL INQUIRIES

Sale of Ten Network

The Australian Broadcasting Tribunal has approved the acquisition of the licensee companies of TEN Sydney, ATV Melbourne and TVQ Brisbane (the Ten network) by a wholly owned subsidiary of Westpac Banking Corporation. Despite claims from unsecured creditors to the Ten Network that Westpac was not a fit and proper person to hold a licence, the Tribunal also approved Westpac's application for a prescribed interest in the licences. An application challenging the Tribunal's decision has been lodged with the Federal Court.

8DN Darwin Inquiry

The Tribunal has accepted the surrender of the licence for commercial AM radio service 8DN Darwin.

The Tribunal had begun an inquiry into a breach of the *Broadcasting Act* by Northern Territory FM Limited through its holding of prescribed interests in licences for commercial radio stations 8DN and 8HOT Darwin. The Act prohibits the holding of a prescribed interest in more than one commercial radio licence in the same market.

Children's TV Classification

In a departure from existing practice, the Tribunal will offer to accredit producers who have a proven record of making high quality children's TV. Accredited producers may then pre-sell their work to TV networks without further Tribunal involvement.

If a program meets the required standard, the Tribunal staff will recommend immediate children's (C) or pre-school (P) classification to a Tribunal member. If the member has doubts about a program, it can be referred to specialist consultants for advice. A sunset clause provides for automatic classification if the member has not decided within a specified time.

These changes occur in the context of public outcry over the Tribunal supposedly banning certain episodes of *The New Adventures of Skippy* on the Nine Network and *Fat Cat* on the Seven Network. However, the Tribunal has pointed out (correctly) that it never banned these episodes. They can still be shown but they cannot count towards the annual children's TV quota.

Communications News is prepared by Ian McGill of Allen Allen and Hensley and Bruce Slane of Cairns Slane.

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very obvious interest in educational, documentary and drama programs, suggests that Australia is well placed to make an additional impact.

Importantly, I believe Australia must begin to have a presence in the regional satellite television marketplace I described earlier. Satellite broadcasting at present is overwhelmingly delivering program made outside the region. There is an enormous amount of European and, of course, American material. It is time for Australian broadcasters both public and private to develop services to be delivered by satellite in the Asia/Pacific region. Fortunately there is work underway in both sectors with that objective in mind.

In the ABC we are developing a project to mount initially, a South East Asia Television service. We are currently planning a service which will take the best of our news, current affairs, educational, children's, drama and entertainment material and project it as an attractive package of Australian television into the region via satellite.

Secondly, the amount of structural change and programming development that is underway in the broadcasting systems of the countries of the region offers opportunities for Australian

expertise. The sectoral diversity of Australian broadcasting — the fact that we have had national, commercial, and, at least in radio, community broadcasting operating together in this country — has built a store of policy experience which is particularly valuable in a region where traditionally broadcasting has been a much narrower and constrained activity. Our program making and technical skills are also respected. The opportunity is therefore there to use those skills, in consultancies, project management arrangements and training and development roles as many of the countries of the region remake their broadcasting institutions.

Finally, there remains a fundamental responsibility for Australia to assist those countries where the potential of broadcasting to actually help build a society and assist its material prospects is still largely unrealised. It is in no one's interest for the gap between the broadcasting rich and poor to remain as wide as it currently is.

Again Australia's national broadcaster has recognised a special responsibility in this regard. Currently the ABC is just completing a two year program with the National Broadcasting Commission of Papua New Guinea. During the life of the program, funded by the Australian

International Development Assistance Bureau, more than thirty ABC staff have worked with PNG broadcasters in production, technical and management areas to increase the effectiveness of broadcasting in Papua New Guinea — a country where, because of terrain and cultural diversity, broadcasting is a key element in bringing the nation together.

The ABC has currently before government a major program of cooperation and assistance to be carried out in association with radio and television broadcasters of Indochina.

Let me conclude with a brief wish. The potential of broadcasting to do good is enormous. Let's hope that as the revolution in the Asia-Pacific region — our part of the world — continues, that this potential is indeed realised, for the benefit of all of us who live here.

Malcolm Long is Assistant Managing Director of the Australian Broadcasting Corporation. This is the edited version of a speech he delivered to CAMLA on 30 March 1992.