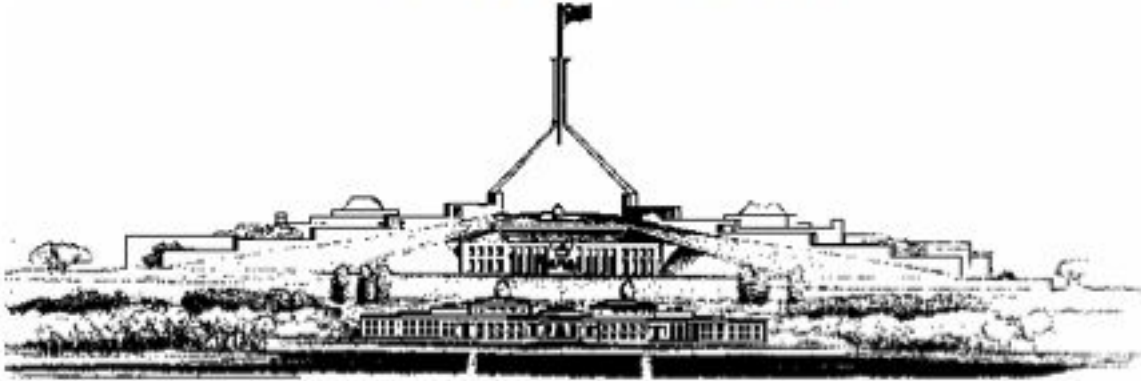




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

BROADCASTING SERVICES AMENDMENT (MEDIA OWNERSHIP) BILL 2002

Consideration of House of Representatives Message

SPEECH

Thursday, 26 June 2003

BY AUTHORITY OF THE SENATE

SPEECH

Date Thursday, 26 June 2003
Page 12817
Questioner
Speaker Cherry, Sen John

Source Senate
Proof No
Responder
Question No.

Senator CHERRY (Queensland) (10.42 pm)—I wish to note for the record that the Democrats will not be supporting these amendments but I do want to commend Senator Murphy for moving them. What we have seen for the first time, other than from the Democrats of course, is an analytical approach to media—an attempt to look at the figures, to look at the market and to look at the sectors and how they all interact. I do not think they work but it is really good to see a focus on what is there, what is happening and what the impacts will be. From that point of view, they are commendable and could be worth exploring further.

But they do not work for a number of reasons. I think Senator Murphy has confused two key issues here. He has confused the economic side, the competition side, with the diversity of viewpoints side, which is the public comment side. When you look at media ownership laws around the world—in the US, in the UK and here—there is that notion that competition is covered by the competition authority and the diversity of viewpoint is covered by the media authority and by the law. This particular amendment confuses those and assumes, in a way that I am quite surprised about for a good ex-Labor man like Senator Murphy, that competition and the market are a substitute for diversity of viewpoint.

I have talked in this committee stage repeatedly about the importance of recognising that diversity of viewpoint is different from competition. In diversity of viewpoint, you should be looking at the importance of the media outlet itself in terms of its impact on news and current affairs. That is really what we should be looking at here. If you take the example of the Sydney market for newspapers, the *Daily Telegraph* gets 15 per cent of the advertising revenue and the *Sydney Morning Herald* gets 21 per cent. Yet the *Daily Telegraph* has nearly 2½ times the readership of the *Sydney Morning Herald*. In terms of diversity of viewpoint, the *Daily Telegraph* is much more powerful than the *Sydney Morning Herald*. That is picked up in the ABA survey of the most used source overall for news and current affairs. Nationally, the *Daily Telegraph* has 2.4 per cent of the total national audience for reliance on news and opinion; the *Sydney Morning Herald* has 1.9 per cent. So, in my view, trying to substitute an economic instrument for what is diversity does not quite work.

It does not work for a second reason: the disaggregation clause. I can see ways around the disaggregation clause and I am not even a stockbroker. Because Sydney and Melbourne are such a huge part of the advertising market and because so many of our economic decision makers think that our country is made up only of Sydney and Melbourne, I think it is possible and quite feasible to get maximum value out of selling a television network—just split it up first and then sell it. Split it up into the Sydney and Melbourne stations—sell them as a pigeon pair, as they were pre-1987—and sell the other—

Honourable senators interjecting—

Senator CHERRY—You can, because the disaggregation clause comes into play only when you are seeking a cross-media certificate. If you split up the network beforehand you can then sell it as two networks. That is not covered by your clause. I can see that. If you cannot see that, you have not read your clause correctly. That is a concern that I have with these amendments—that there is not a good enough substitute for diversity as measured by what people are relying on for their news and current affairs.

I like Senator Murphy and Senator Lees, but there is a touch of arrogance about the amendments. It is senators from Tasmania and Adelaide whose media markets are completely protected by these amendments telling Sydney viewers what they are going to see and who is going to own their media. This is about allowing News Corporation and Fairfax to take out a television station in Sydney but in no other city in Australia. There is a degree of arrogance in playing favourites with the two most powerful and creative markets and leaving the other three out. If I can find holes in an amendment just by reading it twice tonight, I am sure that plenty of stockbrokers can as well. We will be opposing Senator Murphy's amendments, although there are aspects that I quite like. The analytical approach is something we should explore further. We will be supporting Senator Harradine's foreshadowed amendment when we get to that debate.