

# Communications Update

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## A TV Guru Speaks

- Australian television has the widest possible choice of programs available: the best of the world, and Australian-produced.
- People in Canberra think because pay TV is there we must have it. Few have asked what will pay television bring to our screens; what its impact will be on the 'fragile ecology' of our television.
- Twelve channels devoted to one movie starting every ten minutes does not amount to real diversity of choice.
- The use of analogue technology for pay TV will ensure that it is obsolete even before it is installed.
- It will be ten years before pay TV shows a positive cash flow.

These are not the views of some Luddite, but of one of the world's most talented television programmers, a person uniquely placed to observe world television developments, a person moreover closely involved in the Packer pay TV consortium.

The speaker was Bruce Gyngell, who has returned to Australia after a decade in the UK to take up the chair at the Nine Network. At a CAMLA dinner in Sydney last month Gyngell offered a provocative and sometimes surprising perspective on the future of Australian television.

Perhaps because of his recent arrival, Gyngell showed a refreshing ability to pierce the fog that has obscured the central issues in the pay TV debate. Despite this, he was at pains to emphasise that his views of the local scene might be hastily formed.

He strongly questioned the idea that there will be some 'new nirvana' of program choice on our pay TV services. What is more likely is the US experience of 'the 93rd rerun of *I Love Lucy*'. Despite the apparent belief on the part of many commentators here that 'there is some huge program tap out there that is just waiting to be turned on to fill Australian screens with an exciting new range of programs', there is no program cornucopia waiting to be picked up, he said.

He is not resistant to change, but believes that we need to 'shape' change. For example, we must look at the traditional orientation of television towards movies, and question the idea that movies are the main profit centre.

Referring to the UK scene, Gyngell said that there is no direct comparison with Australia because there were only two popular channels there before the advent of pay TV. Claims for the success of Murdoch's BSKyB ignore the fact that it is still carrying a debt of £1.4 billion, and that it is now in its third incarnation.

Australia should not impose on itself an 'impoverished model from a country already in decline'. We should draft our own blueprint for the future and proceed

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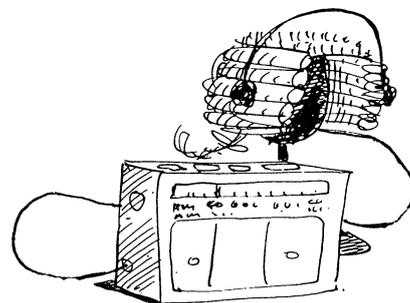
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Pay TV Chronology:  
Latest Instalment  
1992-3



ABA Planning Not  
Plain Sailing





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in a measured way. We came to television late but we 'got it right', Gyngell said. Opting for the PAL system as we did means that Australia is still at the cutting edge. Digital technology represents the greatest change in broadcasting since the introduction of television itself.

## What Can Pay TV Do?

Gyngell conceded that movies are the staple fare of pay TV. As far as sport is concerned, it must be live to be a success on pay TV. A service like CNN is also at its best when providing live coverage, but 'can get very tedious at other times'. He noted that the UK's much-praised Sky News never has more than 25,000 people watching at any time. The only continuous viewing on pay TV is for movies.

The biggest thing that will happen in Australia is that pay TV will siphon off the movies. The US networks now show very few movies, and most are made for television.

Major sport will also be siphoned off. But in the UK, where Sky bought the rights to major soccer, the TV companies started to cover local matches and Italian soccer, with considerable success. The effect has been of free to air TV becoming more parochial while satellite is by nature national anyway.

The Australian content requirement of 10 per cent of program expenditure might well be nothing until the subscriber base is established. Nine is spending \$22m this year on drama.

## Cold Comfort on Oz Production

Gyngell acknowledged that in Australia, it is primarily Australian-produced programming which is attracting the audience. He believes that any Australian program rates, on average, 7 per cent higher than an equivalent imported program, though it will also cost seven to eight times as much. It would be a dreadful shame if the money supporting Australian production is

winnowed away by the impact of pay TV, he said.

Gyngell said he does not know what Australian culture is but the advent of SBS was a very important step in moving away from 'obedience to the British', and we are in the process of evolving a unique culture.

Asked what constitutes an Australian program, Gyngell did not offer much comfort to those who take a purist view. The highly controversial *Mission Impossible* was 'not bad' in his view, and the important thing is an 'Australian flavour' achieved by using Australian actors and writers. He saw no problem with New Zealand and Australia joining production forces since there was a great similarity between them. He said that co-productions were essential to maintain the level of local production.

Gyngell believes we should make it as easy as possible for people to come here and make programs without restrictions. He compared Australia's record in this area with Hollywood's policy of opening the door to anyone who wanted to work there.

Four billion US dollars are spent every year in the world on the acquisition of programming and Australia should get a slice of this.

## Our Unique TV Structure

Consultant Richard Rowe asked Gyngell if he thought that pay TV might have an effect on the free-to-air networks' traditional tendency to parallel programming - for example, screening three movies simultaneous on Sunday night.

Gyngell's response showed an interesting historical perspective. He said that the Sunday night movies tradition was a direct inheritance from radio, where the stations had programmed their radio plays in the same time slot with shows like Lux Radio Theatre. At the beginning of television, Seven had 'creamed' Nine by showing a movie at that time, and Nine had countered with its own. Later, Ten followed suit.

There is a structure to Australian television, Gyngell said. People have

grown up with their own television culture and they like it. It has unique features like more news and current affairs than anywhere else, about 25 per cent of prime time. We should move away from the grammar of our television structure with great hesitation.

Asked what Channel Nine will look like in five years time, Gyngell said he didn't know. As an example of the unpredictability of television, he noted that Japanese television, which had once been saturated with American programs, now had practically none.

## Piece of TV History

Now in his 60s, Gyngell is a walking piece of Australian television history, whose career has shown that he unerringly has his finger on viewer preferences and trends.

Amongst other things, he was the first face to appear officially on our screens in 1956; he worked successfully for both the Nine and Seven networks; he was inaugural chairman of the Australian Broadcasting Tribunal; and he established the SBS TV service in 1980 against extraordinary odds, in less than a year.

In the UK, where he has spent the last decade, Gyngell took over TV AM, an ailing breakfast television franchise and made it hugely profitable - only to lose it in the first round of Thatcher-inspired auctions of TV franchises. □

