

Conflicting digital futures

An analysis of the New Zealand digital television debate in relation to public service principles and commercial imperatives

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Abstract

The freedom to provide a wide range of content from diverse sources allows the media to fulfil its role as facilitator of the public sphere. Having access to a wide range of content from diverse sources is necessary if citizens are to fully participate in the democratic process. However, provision of non-commercial and public service content has proved problematic in New Zealand's deregulated broadcasting environment. During the 1980s and 1990s the international trend toward deregulated national media markets put public service media under considerable pressure. In a deregulated environment commercial interests flourished, often at the expense of the public interest. This was certainly the case with broadcasting. Since then, New Zealand's television broadcasting market has struggled to provide a balance of commercial and non-commercial content for a variety of reasons. But the digital era of broadcasting brings with it new opportunities for public service broadcasting provision. A by-product of the government's decision to begin the switchover from analogue to digital broadcasting was the establishment of two non-commercial digital channels, administered by state-owned broadcaster, TVNZ. However, less than five years after the digital initiatives were announced, both channels had ceased broadcasting and once again the market became dominated by commercial interests.

This thesis begins with a political-economic overview of New Zealand broadcasting history. The latter part of the overview traces the emergence of the neoliberal orthodoxy which informed the radical deregulation of the broadcasting sector, as well as 'Third Wayism,' which entailed a partial recommitment to public service broadcasting. In this context, the establishment of the Freeview platform and TVNZ's digital channels, as well as the subsequent demise of these channels are examined. These developments were reported in the mainstream media in certain ways. In this context I provide a case study of how public service broadcasting was framed in news coverage from 2006-2011. This makes it possible to evaluate the parameters of the debate concerning public service broadcasting in the digital era. My conclusion here is that the debate was framed in such a way that public broadcasting was made to appear as if it was an imposition on the taxpayer, and commercially driven broadcasting was positioned as the default.

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Attestation of Authorship

I, Yvonne Brill, hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

Signed:

Date: December 21st, 2012

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Chapter 1:

Introduction

In many countries the status quo prevalence of neo-liberal ideology has undermined the capacity of television broadcasting to deliver non-commercial public service programming. This kind of broadcasting derives from Jürgen Habermas' theory of the public sphere. Habermas' theory of the public sphere originally focused on areas of public space such as early 18th century coffee houses and salons, where individuals could meet to discuss matters of literary, scientific, philosophical and political interest. During this time communication media, which Butsch identifies as printing presses, handwritten notes and the human body, were readily accessible to most citizens (2009, p7). Today, globalisation and mass populations require media organisations to coordinate public spheres. A television broadcasting market with no non-commercial representation means that citizens must rely on relayed information which is shaped by corporate interests. The primary concern of these corporate interests is profit, not the public interest. Even if funding for non-commercial content is provided, public service media can face difficulties working within markets where commercial imperatives prevail. Despite the best intentions of employees, the public service ethos is vulnerable to distortion if compared too closely to commercial providers. During the 1980s and 1990s the international trend toward deregulated national media markets put public service media under considerable pressure.

The digital era of television broadcasting brought with it new opportunities. New Zealand's decision to begin the switchover from analogue to digital broadcasting signalled the arrival of a brand new media environment. The government's decision to facilitate the establishment of two non-commercial digital channels for state-owned broadcaster TVNZ in 2006 allows us to evaluate the position of public service broadcasting at this time. In general, defence of public service principles in the digital environment has not been as strong as the push for commercial imperatives. Consequently, the digital broadcasting environment became swamped by commercial content less than five years after the launch of Freeview, TVNZ 6 and TVNZ 7. This was despite assurances from both government and broadcasters alike that the move to digital would allow greater choice for the viewing public.

This thesis begins with a political-economic overview of New Zealand broadcasting history. This is followed by a political-economic account of television broadcasting from 1960 through the period of deregulation in the 1980s and onward. This will serve to contextualise a news frame analysis of media coverage concerning the rise and fall of TVNZ's non-commercial channels.

1.1 The Public Sphere and Broadcasting

Ultimately, the public sphere is where members of a society may determine 'the public interest', which should ultimately inform the actions of those holding power in a democratic government. Using slightly different terminology, David Marquand describes 'the public domain' as being "symbiotically linked to the notion of public interest, in principle distinct from private interests; central to it are the values of citizenship, equity and service" (2004, p27). Marquand goes on to state that "In the public domain, citizens collectively define what the public interest is to be, through

struggle, argument, debate and negotiation” (2004, p30). The media plays a crucial role in Habermas’ public sphere and Marquand’s idea of the ‘public domain’. Media, according to public sphere theory, has a social duty to “play a formative role in diffusing diverse opinions and bringing them into dialogue” (Born, 2005, p102). It is this commitment to diversity that is behind the ethos of public service media. Born describes reformulations of Habermas’ public sphere and evaluations of the media’s role in deliberative democracy as having “become central to scholarly analysis of digitisation and [public service broadcasting]” (Born, 2005, p102). Moe also places public sphere theory within the context of deliberative democracy, and states that “different media should make relevant information available and assist the institutions of civil society by transmitting concerns from the periphery of society, generating public debate and mounting pressure for the political system to respond” (2008, p323). According to Murdock, citizenship rights tied to information, knowledge, deliberation, representation and participation are embedded within the public sphere (2004). The purpose of public service media is to defend and facilitate these rights.

Traditionally television broadcasters have operated in a market where the operating model was based on the economic scarcity concept. Analogue broadcasting allowed for only a certain number of channels to be broadcast at any one time, meaning that viewers were limited in what they could watch. Broadcasters were also limited in the amount of content they could broadcast in any one broadcast cycle. Applying the concept of scarcity to broadcasting implies that there are insufficient resources (channels and broadcast content) to fulfil all of society’s wants and needs. It follows then that, in a commercial media market, broadcasters are compelled to provide content that appeals to the greatest number of like-minded people. While this may be

satisfactory for the majority in a society, it is less than ideal for those who constitute a minority, or for those individuals who are not sufficiently served by mainstream content. Because broadcasters operating in a commercial media market are dependent upon advertising dollars, they have a vested interest in broadcasting content that is popular and 'wanted' as opposed to content that may be 'needed' by society. Therefore an argument can be made that the need for public service media requires intervention within commercial media markets.

Public service media delivers that which commercial markets cannot or will not provide if left to operate without scrutiny. Moe cites a survey of studies undertaken by Born and Prosser in 2001 that identified core normative principles for public service broadcasting. These can be listed as follows: (a) enhancing, developing and serving social, political and cultural citizenship; (b) universality; and (c) quality of services and output (2011, p3). Harrison and Wessels echo this definition, stating that "policymakers tend to link public service broadcasting provision to the development of social, political and cultural citizenship through the universal provision of quality services and diversity of output" (2006, p837).

The mediated public sphere is bookended on either side by state interests and corporate interests. In the early 21st century the mediated public sphere is especially vulnerable to the power amassed by commercial media as a result of deregulation. This situation is normalised by ideological assumptions that commercial media markets are a given and that public service media are an extra expense. Butsch (2009) surmises the situation from the perspective of those who work in media institutions:

Their first master is the drive for profit, which conceives media in relationship to consumers in a market rather than citizens in a public sphere. It provides

what sells rather than what informs and enables public discussion, often two different and competing types of programming, squeezing out the public sphere. (p8)

1.2 Framing Theory and Critical Media Research

Framing theory assumes that any issue or event can be defined and evaluated from multiple perspectives. Different definitions and evaluations of a given issue or event will result in different interpretations or attitudes towards that issue or event. The term 'framing analysis' has its origins in the disciplines of psychology and sociology and is used as an analytical device in a wide range of fields including management and organisation studies, social movement studies and media studies (Pan and Kosicki, 1993). From a psychological perspective framing is linked to the cognitive devices individuals use as they attempt to make sense of and arrange incoming information. Sociologically, the judgement decisions of individuals will differ depending on the way information is presented to them. Against this background Goffman understood frames as necessary schemas for comprehending and responding to experiences and events. For Goffman, frames allow a society to reproduce meaning for itself. At the same time he identified frames as allowing individuals "to locate, perceive, identify and label a seemingly infinite number of concrete occurrences" (1974, p21). According to Goffman, individuals use 'primary frameworks' to classify experiences that then allow them to interpret new events and experiences (1974). Framing thus creates a cognitive point of reference for individuals, and aids them in understanding experiences and information.

Today the terms 'framing' and 'framing analysis' are no longer solely linked to Goffman's writings. In relation to media studies, the process of framing is now

understood to entail a deliberate action in terms of communication, the strategic purpose of which is to orient the public towards a particular set of political objectives (Konig, 2004; Cherkaoui, 2010). The concept of news frames is based on the realisation that the representation of an issue or event in media coverage has an impact on the way in which it is conceived by citizens. This in turn has an impact on the public discourse and opinion surrounding the issue or event. Tuchman states that when something is framed “an occurrence is transformed into an event, and an event is transformed into a news story” (1978, p193). The idea that actors in the communication process actively select frames is currently a dominant one in media studies discourse. In this regard, Entman’s definition of frames in relation to media studies is a seminal one. He states that to frame “is to select some aspects of a perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation for the item described” (Entman, 1993, p52). The crux of the issue, according to Entman, is that “frames call attention to some aspects of reality while obscuring other elements which might lead audiences to have different reactions” (1993, p55). Scholars acknowledge that media and news frames are generated by the routine of journalists who draw upon them to quickly classify and package information for their audience. However, Gamson notes that while the ‘sender’ of the framed message may have specific intentions, the motives behind these intentions can also be unconscious ones (Gamson, 1989, as cited in Scheufele, 1999). It is important to recognise that while the choice of frame by a communicator may be deliberate, the motivation behind the choice may be unconscious or unacknowledged. Within this overarching definition two distinct areas of research emerge, both of which use the terms ‘frame’ and ‘framing’. The first

focuses on the communicator and the choice of words, images and phrases that they use to project a message. This area of research analyses which aspects of the topic in question the communicator regards as relevant or important. This approach seeks to reveal the communicator's belief system or underlying interests, and is often used in the analysis of elite discourse (Druckman, 2001). From a political studies perspective, Chong and Druckman describe this process as being accomplished by repeating or highlighting certain features of a policy and linking them to important, underlying values (and/or likely effects) (2010, p239). Citizens may thus be encouraged to think about the policy along certain lines. The second area looks at the reception of information and is referred to by some as 'frames in thought'. Druckman states that in this area of research, "a frame is not a property of a communication, but rather describes an individual's perception of a situation; the frame reveals what an individual sees as relevant to understanding a situation" (2001, p228). In this case, individuals use pre-existing schema and meaning structures to process and interpret information (Scheufele, 1999). The frame constructed by an individual may differ from the intended frame projected by the communicator. Kinder and Sanders note the overlap that sees frames function as both "internal structures of the mind" and "devices embedded in political discourse" (as cited in Pan & Kosicki, 1993, p57). A news media frame is thus "a cognitive device used in information encoding, interpreting and retrieving; it is communicable; and it is related to journalistic professional routines and conventions" (Pan and Kosicki, 1993, p57). In this context framing may be studied as a strategy of constructing and processing news discourse or as a characteristic of the discourse itself (Pan & Kosicki, 1993 p57).

1.3 News Work and News Sources

The term 'news work' refers to the organisational processes and routines of news producers within media organisations. As such, news work influences and enables certain frames to take precedence over others. In her seminal work, *Making News*, Tuchman describes news as "an institutional method of making information available to consumers," and states that "news is located, gathered, and disseminated by professionals working in organisations. Thus it is inevitably a product of news workers drawing upon institutional processes and conforming to institutional practices" (1978, p4). This definition of news acknowledges the tendency of news work to influence the way occurrences are framed within news stories. A study into the routinised and institutional practices adhered to by news workers when 'making' news resulted in Tuchman observing that "news obfuscates social reality instead of revealing it. It confirms the legitimacy of the state by hiding the state's intimate involvement with, and support of, corporate capitalism" (1978, p211). An example of this becomes evident when considering the sources regularly used to construct news texts and provide 'facts'. On the topic of sources, Tuchman states that "news both draws upon and reproduces institutional structure" (1978, p211). The relationships between news organisations and the social institutions that are regularly featured in news reports are seen to imbue each other with credibility that is thus denied to outsiders. Tuchman (1978) states that:

By identifying centralised sources of information as legitimated social institutions, news organisation and news workers wed themselves to specific beats and bureaus. Those sites are then objectified as the appropriate sites at which information should be gathered. Additionally, those sites of news gathering are objectified as legitimate and legitimating sources of both information and governance. Through naïve empiricism, that information is transformed into objective facts – facts as normal, natural, taken-for-granted description and constitution of a state of affairs. (p210)

News workers seek out 'legitimate' information from 'credible' sources that have been created thanks to the organisational processes that have been normalised within news media institutions. Consequently, the opportunity for a range of opinions or perspectives to be communicated through news stories is narrowed. The routinisation of news work enables journalists to produce stories quickly, yet this routinisation effectively creates 'legitimate sources' from institutions viewed as 'credible' by news workers. Information provided by other sources, therefore, requires more work on the part of the news worker to establish and verify its credibility. Another requirement for information from sources not part of the web of pre-approved sources is that it must be moulded to fit within the pre-established frames used by news workers to deliver information in the form of news stories. Tuchman states that "through the sources identified with facts, news workers create and control controversy; they contain dissent" (1978, p211). An example of this is the framing of oppositional movements in the media.

1.4 Media Framing of Oppositional Movements and Viewpoints

The scope of an individual's personal experience is often limited, and the news media works to create a window into the experiences of others. This allows individuals to be exposed to a range of ideas and events that would otherwise have gone unnoticed. The sheer number of individuals which mass media outlets reach means that any mainstream media coverage of issues or events will affect how these issues or events are perceived by others in society. The mainstream media has long been acknowledged as a tool for reaching large populations. Gitlin describes mass media institutions as having become "core systems for the distribution of ideology" (1980, p2). Tuchman's observation (cited previously) that news media confirms and reinforces the legitimacy of the state complements Gitlin's argument. So, for

oppositional movements that wish to challenge the status quo, achieving acknowledgement in the mainstream media may prove difficult. Further to this issue, upon achieving acknowledgement in the mainstream media, oppositional movements may find they have ceded control over the way they are represented. The need for news workers to report occurrences in a way that fits the establishment framing of oppositional movements may lead to the movements themselves losing control of their 'image' or the way their message is portrayed to the general public. Gitlin states that the 'processed image' presented to society through media reports "tends to become 'the movement' for wider publics and institutions who have few alternative sources of information, or none at all" (1980, p3). Gitlin observes that "mass media define the public significance of movement events or, by blanking them out, actively depriv[ing] them of larger significance... the forms of coverage accrete into systematic framing, and this framing, much amplified, helps determine the movement's fate" (1980, p3). In this sense, the way in which media report on oppositional movements can seriously affect that movement's credibility and ability to gain traction in expressing their message. Because news workers actively reinforce the legitimacy of the state, the information garnered from the 'legitimised' sources becomes 'common sense'. Thus, perspectives or sources of information that fall outside of the realm of 'common sense' are automatically treated with scepticism or suspicion, and marginalised. This makes it easier for those who have vested interests in maintaining the current ideological hegemony to dismiss or criticise perspectives or information that does not compliment this hegemony.

1.5 Framing and Keyword Analysis

It is clear that to identify frames one must start with a linguistic and semantic analysis of the media text, identifying key words and phrases. These findings can then be

contextualised from a political economy perspective with regard to the research issue at hand. In order to conduct this type of analysis I will be drawing from Raymond Williams' work on key words and historical semantics. Williams identified single words and habitual groupings of words, and stated that their use "bound together certain ways of seeing culture and society" (1983, p22). In the introduction to his book *Keywords*, Williams describes its content as "the record of an inquiry into a vocabulary: a shared body of words and meanings in our most general discussions in English, of the practices and institutions which we group as culture and society" (1983, p15). Of particular interest to this thesis is his assertion that key words or terms can become related to each other in terms of meaning, and that the meaning behind these terms can change depending on the context of the word and other words which it is used in conjunction with. Williams' work looks at the problems of meaning and relationships between words within language and explains that "new kinds of relationships, but also new ways of seeing existing relationships, appear in language in a variety of ways" (1983, p22). The relationship between words is conceptualised by Williams as a 'cluster'. He describes clusters as being groups of key words and references that came to seem interrelated, and argues that:

Individual words should never be isolated, since they depend for their meanings on their actual contexts...Yet the problem of meaning can never be wholly dissolved into context. It is true that no word ever finally stands on its own, since it is always an element in the social process of language, and its uses depend on complex and (though variably) systematic properties of language itself. (p22)

Clusters of keywords act to imply what the meaning of each word is, in relation to the others around it. In this way, using certain clusters of words in different contexts create webs of meaning that can change the way citizens understand the message in any given text. It is these clustered webs of meaning that provide clues as to the

underlying frames present in media texts. For this reason my thesis will rely on the identification of these clusters and key words to inform the categorisation of news frames within the media texts being analysed.

1.6 Methodology of This Research

Much has been written about government regulation of broadcasting in New Zealand, as well as the policy agendas undertaken over the five decades that television has been broadcast in New Zealand. The latter is especially true of two particular periods in New Zealand's broadcasting history – the period of neo-liberal reforms that deregulated the broadcasting industry; and the more recent 'Third Way' policy attempt to reconcile public service principles with market imperatives. New Zealand is currently in the midst of a new phase of broadcasting development as it moves from analogue to digital broadcasting. A political-economic perspective helps explain the mechanisms behind many of the industry developments and policy decisions made in recent times. In this context I will identify the frames that were evident in news media coverage about the emergence of non-commercial digital broadcasting in New Zealand. For the purpose of this thesis I will be focusing on the framed messages communicated through media reports, many of which are from elite sources. Detailed considerations of frame-setting or frame-building processes will not be explored. One of the critiques of framing analysis as a research methodology is that there are many disparate approaches and that a standardised guideline to approaching the analysis of frames in communication does not exist (Chong and Druckman, 2010, p240). The methodology for this research has been drawn from a number of sources and builds upon an understanding of the political economy of broadcasting in New Zealand over an extended period of time. In order to identify the frames, consideration must first be given to understanding what

components in a news story make up a frame. For this I have collected a range of opinions. Cappella and Jamieson suggest four criteria that a frame must meet in order to be included. They are: that a news frame should have identifiable conceptual and linguistic characteristics, that it should be commonly observed in journalistic practice, that it must be possible to distinguish the frame from others, and that it must have representational validity in that it is recognised by others (Cappella & Jamieson, 1997, as cited in de Vreese, 2005). Entman suggests that news frames can be identified by “the presence or absences of certain keywords, stock phrases, stereotyped images, sources of information and sentences that provide thematically reinforcing clusters of facts or judgements” (1993, p52). Gamson and Modigliani (1989) identify framing elements which include metaphors, exemplars, catch-phrases, depictions and visual images. The common acknowledgement of linguistic framing devices fits with my earlier discussion on Raymond William’s key words theory. The media texts used to examine this conflict have been selected from coverage that reveals significant moments in the establishment of public service digital broadcasting in New Zealand. Three announcements and the reaction to them will be analysed separately. The first passage of events is the announcement regarding the imminent launch of the free-to-air digital broadcasting platform Freeview and the government’s \$25million dollar support of the venture. The second passage of events is the announcement regarding TVNZs establishment of two digital-only channels to be broadcast on Freeview. This initiative was to receive \$79million dollars of government funding over a five year period. These announcements take place just months apart in 2006 and for this reason these analyses will be informed by prior discussions of ‘Third Way-ism’. The third passage of events concerns the National government’s announcement that TVNZ 7, the final

remaining digital public service channel, would not be allocated any further funding. These developments will be arranged under the title of 'Re-commercialisation'.

The media texts selected for analysis originate from the mainstream print and television media. For print, each of the country's four largest national daily papers, as well as their weekend offerings, were canvased. These daily papers are: the New Zealand Herald, the Dominion Post, The Press, and the Otago Daily Times. The television news sample comes from the 6 o'clock news programmes on TV One and TV3. My sample also included the daily current affairs shows on each of these channels (Close Up and Campbell Live), though it was found that neither show covered the events of interest. Each of the sample periods encompassed the day of the announcement – as confirmed by relevant press releases – and the 12 days following. It was decided that this was a reasonable time period over which to determine the news worthiness of these event passages. In fact, the majority of the media texts were collected from coverage from the days immediately following the announcements.

The purpose of conducting a framing analysis informed by Williams' concept of key words is to ascertain the tensions between public service and commercial-led television broadcasting in the context of the new digital environment. The intended outcomes are to determine, evaluate and explain the parameters of debate in relation to public service digital broadcasting and to identify ways in which this is framed in the news media.

Chapter Two of this thesis provides a political-economic overview of broadcasting in New Zealand with regard to competing logics of state control, public service and

commercialisation. From 1960 this overview focuses upon the expansion and regulation of television broadcasting.

Chapter Three considers the neo-liberal deregulation of television broadcasting instigated by the fourth Labour government during the late 1980s and continued by the fourth National government throughout the 1990s. The key developments identified here are the growing commercialisation of television broadcasting and the introduction of privately owned television broadcasters into the market, including a pay-tv operator.

Chapter Four charts the period 1999-2008 and evaluates the fifth Labour government's adoption of a Third Way public policy agenda and its implementation of public service broadcasting initiatives after almost a decade of commercially oriented broadcasting. The initiation of a digital broadcasting strategy and changes to media ownership are also discussed, as is the establishment of the Freeview digital broadcasting platform and TVNZ's two non-commercial digital channels.

Chapter Five provides an overview of the fifth National government's deconstruction of the previous Labour government's public service initiatives from 2008-2012. This effectively re-commercialised the television broadcasting market and positioned public service television broadcasting as an unaffordable 'nice to have'. These developments chronicle the next stage in digital broadcasting in New Zealand, the removal of non-commercial digital channels, and the addition of further commercially oriented digital channels.

Chapter Six contains a framing analysis conducted using media texts relating to three significant events in the rise and fall of TVNZ's non-commercial digital channels. The analyses seek to identify frames used in the media coverage of these

events in order to determine and evaluate the parameters of the debate relating to public service broadcasting in the digital era.

Chapter 2:

A Brief History of Broadcasting in New Zealand 1923-1984

In this chapter I will chart the development of broadcasting in New Zealand from the establishment of radio as a medium for the masses through the period of state control, to the introduction of television and eventual corporatisation of broadcasting, to the period of public service focus that preceded the commercialisation of the 1980s. The political economy approach used in this thesis serves to identify how changes in government ideology seriously influenced the way in which the broadcasting industry developed in its early days.

State Control – 1923-1960

While a national television broadcasting service was not established until the 1960s, the character of television in New Zealand was determined decades earlier. Early radio broadcasting in New Zealand can be characterised as being restricted and regulated, with heavy government involvement. Cocker states that “from the earliest days of radio in New Zealand, the government played a developmental yet also a meddling and self-interested role” (1994, p239). Indeed, it only took two years for the first of many regulations to be imposed on the country’s fledgling industry which at that time consisted mostly of experimental and amateur broadcasters, and ultimately resulted in New Zealand having the most rigidly controlled broadcasting environment in the English-speaking world (Cocker, 1994, p239).

2.1 1920s: Radio Regulations

Radio broadcasting as we know it began in November 1921 with an experimental program transmitted by Professor Robert Jack, a physicist at the University of Otago. Prior to this radio had been envisaged as a tool for point to point communication, a form of wireless telegraphy, with an emphasis on maritime and military communication that was tightly controlled for government purposes (Day, 1994, p17). It wasn't until post-World War One that a move from wireless telegraphy to wireless telephony was observed, and though the government was reluctant to loosen its control over the technology it eventually gave in to mounting pressure from radio enthusiasts and began allowing radio transmissions that consisted of content other than maritime and government information (Day, 1994, p38). Jack and his team were the first to receive a licence from the New Zealand Post Office to "...engage in research connected with the wireless transmission of vocal and musical items" and began transmitting twice weekly 'concerts' from his base in Dunedin, which were reported to have been received all over the country (Downes & Harcourt, 1976, p11). By early the next year a demand for radio entertainment had been created and radio enthusiasts were contacting Jack for advice on how to build their own transmitters. According to Day, "the widening public understanding of broadcasting sounded the death knell for the view that radio was exclusively a medium for secret point-to-point communication. During 1922 the government's attitude softened considerably" (1994, p41). By 1923 the Post and Telegraph department had issued permits for eleven stations as the government acknowledged the public demand for more of the popular new medium.

A look at broadcasting regulations introduced during the 1920s suggests authorities were concerned about the power of broadcasting and its potential effect on the population. In 1923 Regulations for Broadcasting were issued by the government and licence and transmission fees were instated. Those with receiving sets were required to pay a five shilling licence fee, while broadcasters were required to pay a two pound transmission fee. The New Zealand Post Office was appointed guardian for the 'moral welfare' of the 2,000 licence holders, and "kept a zealous eye and attentive ear on everything that was broadcast" (Downes & Harcourt, 1976, p17). With regard to regulation, the authorities' main concern seemed to be preventing 'propaganda' from being broadcast. Licenced stations were kept on a short leash in terms of the content they were permitted to broadcast and the regulations included stipulations that prohibited station owners from broadcasting 'propaganda of a controversial nature'. Advertising was strictly prohibited and so most stations were run by radio enthusiasts with funding from their own pocket or donations from supporters. Day describes the 1923 regulations as signalling "an acceptance by the government of both broadcasting and public access with radio" (Day, 1994, p49). However, private ownership of radio stations was clearly a sensitive issue for authorities.

The announcement pertaining to regulations included a communication from Postmaster-General Gordon Coates (who would later become Prime Minister) declaring plans for a nation-wide broadcasting service. Coates had originally told the House that broadcasting would be left up to the private sector without government involvement, but according to Downes and Harcourt (1976) a 'wait and see' approach had been taken in order to judge how popular the medium would become. By 1923 Coates had noted its growing popularity and recognised that the

broadcasting environment as it stood was not providing an adequate service. While the audience for radio was increasing, the growth in new stations had stalled, as had the power output and transmission hours from existing stations. The decision was made to move “the organisation of broadcasting from a regional to a national basis, and to allocate to the national organisation a portion of the radio licence fees” (Day, 1994, p56). This would develop broadcasting as a form of communication and address the lack of revenue that had thus far held back development. The regulations established in 1923 were extended in 1925 in line with the government’s decision to assume control of the airwaves. Content that could be considered ‘seditious, profane, obscene, libellous or offensive’ was prohibited, and new regulations required broadcasters to transmit any communication the government wished to send out. Along with extended content regulations it was announced on April 1st, 1925 that any person or company who wished to operate a radio station would have to enter into a contract with the government. Existing licence holders were “required to relinquish their autonomy in return for a licence fee income” (Day, 1994, p58) and the licence fee was increased from five to thirty shillings. The majority of the money from this staggering and unpopular increase went towards funding the newly created broadcasting authority which assumed control of the country’s official broadcasting policy on August 30th of that same year.

The terminology used by policy makers in the 1923 regulations reveals the logic of state control that was behind the regulating of New Zealand’s early broadcasting environment. Downes and Harcourt note that other countries had allowed broadcasting to develop through the private sector with certain basic rules of conduct, or as a corporation with clearly defined responsibilities toward the government. However, New Zealand had chosen to adopt a system that ultimately

resulted in broadcasters being answerable to the government for more than fifty years (1976, p69). The regulations implemented in the 1920s were the beginning of long-term governmental control over broadcasting in New Zealand, and are evidence of the fact that during this time “broadcasting was firmly regarded as existing to support the purposes of the state” (Cocker, 1994, p240). This had serious implications for New Zealand’s developing public sphere, which was subsequently overwhelmed with the authoritarian voice of the state. There was little to no opportunity for other perspectives to be developed. The public sphere during this time was firmly dominated by state interests and this domination was justified by the government as being in protection of the public good.

While government policies were shaping the character of radio broadcasting in the 1920s, the first technical experiments with television broadcasting were being conducted. New Zealand’s pioneer of radio, Dr Robert Jack, had begun experimenting with transmitting pictures across his laboratory in 1924 (Simmons, 2004, p46). Although it was still many years before the general public would be exposed to this new medium, the lens of regulation through which television would eventually be considered by policy makers was already in existence.

2.2 1930s: Crown Ownership and State Monopoly Established

The late 1920s had been spent developing the content and reach of a nationwide radio broadcasting service. The national organisation Coates had alluded to in his 1923 announcement came to be known as the Radio Broadcasting Company. The organisation was run by businessmen in partnership with government officials and was presided over by William Goodfellow, a leading figure in the dairy farming industry from the Waikato, and A. R. Harris, an electrical firm owner and former

employee of Edison laboratories in the United States. Goodfellow and Harris had entered into an agreement with the government and purchased four stations that were already receiving a weekly subsidy to operate while the central authority was being set up. They agreed to establish and operate additional stations in Auckland, Wellington, Christchurch and Dunedin. These regional stations were combined to create a national service. However, there were still stations operating that were not affiliated with the Radio Broadcasting Company. Referred to as the 'B stations', these locally-focused private enterprises were able to continue broadcasting provided they remained mindful of government regulations, including the prohibition of advertising. The Radio Broadcasting Company was contracted to provide broadcasting services for a period of five years with contract renewal contingent on the satisfactory provision of these services. Unfortunately for Goodfellow and Harris, by the time the contract came up for renewal the topic of broadcasting control had become a political issue. This resulted in Postmaster-General J. B. Donald announcing that the Company's contract, ending in December 1931, would not be renewed. From 1932 broadcasting would be controlled and undertaken by the state. A strategy for state-owned broadcasting was not immediately forthcoming however. The delay in announcing a plan for the future was met with derision from the press and the public. However, this situation continued as the country slid into the worldwide financial crisis that would later become known as The Great Depression. After a coalition ministry was formed to cope with the economic crisis a new Postmaster-General was appointed, the Hon. Adam Hamilton. In 1932 he placed the responsibility for broadcasting in the hands of a three-member board of management which was tasked with extending the New Zealand broadcasting service. The Broadcasting Board's term lasted until 1936 and according to Downes and Harcourt

it “was marked by several wrangles over a too-zealous application of the rule that nothing controversial should be allowed on the air” (1976, p93). The zeal with which regulations against controversy was adhered to by the Board was a taste of what was to come in terms of state control. The first Labour government, upon being elected to power in 1935, moved towards total state control of broadcasting by nationalising the service. The Broadcasting Board was dissolved in mid-1936 and in its place was established a government department, the National Broadcasting Service. All ‘rights, liabilities, and engagements of the Board’ were transferred to the Crown and brought under ministerial control. The Broadcasting Act of 1936 pledged that ‘the Minister shall carry on the broadcasting service heretofore carried on by the New Zealand Broadcasting Board, and may develop and improve that service from time to time’.

The tightening of regulations that shaped the character of broadcasting in New Zealand during this time and for decades to come reflected the political ideology of those in power. The first Labour government favoured state control and saw broadcasting purely as a communication medium which could be utilised to further the interests of the Party. Prime Minister Michael Joseph Savage saw broadcasting as a valuable form of communication and a counter-balance to anti-Labour sentiment published in the press (Hope, 1996). The airwaves were regularly used to transmit parliamentary broadcasts, which “enabled Labour politicians to publically argue for their legislative programme against conservative opponents” (Hope, 1996, p17). Hope’s assertion of Labour’s one-sided use of broadcasting to promote the Party’s interests is given weight when considering a quote from Savage at the time. Savage is quoted by Cocker (1994) as saying:

The government has a duty to the people to not keep them in the dark. What the newspapers neglect to do the Broadcasting Service will do. We have a far-reaching programme and we want the people with us everywhere. The government is going to be the master of publicity. (p243)

Savage's words illustrate his perception of broadcasting as a tool to promote his government's ideals. The prevailing logic of state control is evident in the rhetoric used by leaders such as the Prime Minister when discussing broadcasting in the public sphere. By framing broadcasting as a tool for the state, broadcasting is thus defined as a state tool in the public consciousness.

During this time, as well as taking ministerial control of the national non-commercial 'A' network, the first Labour government essentially created a monopoly over the airwaves by implementing a state-owned commercial service where stations could operate as part of the government service and include advertising in their programming. The government announced its intention to buy out as many 'B' stations as it could. Although 'B' station owners were not forced into selling, if they chose to continue operating outside of the government service advertising would continue to be prohibited and a subsidy would be provided. Most station owners accepted the government's offer and sold up (Cocker, 1994). By late-1937 there were just four stations that had not been sold. In 1938 two of these stations, 1ZJ and 4ZM, were sold after having been disappointed at the subsidy amount on offer (Day, 1994, p225). The government cemented its control by including in the Broadcasting Act of 1936 a stipulation that:

No licenses for private broadcasting stations shall hereafter be issued if the effect of such issue would be to increase the number of such license in force at any one time beyond the number of such licenses held immediately prior to the commencement of this Act by persons other than the New Zealand Broadcasting Board. (Section 16)

This effectively ruled out the possibility of creating any privately owned radio stations. The 1936 Act also brought into effect further regulation for existing private stations that went above and beyond the 1925 requirement to transmit government communications. Full control of content was given to the Minister of Broadcasting and all private stations were subject to ministerial scrutiny, with Section 15(1) of the Broadcasting Act 1936 stating that:

The Minister shall have the duty of supervising all programmes to be transmitted from private broadcasting stations, and for that purpose may prohibit, either absolutely or subject to such conditions as he thinks fit, the transmission from any private broadcasting station of any programme or part of a programme which in his opinion is unsuitable for broadcasting.

By the end of the 1930s full state control of broadcasting had been established, ensuring that broadcasters had no independence from the government of the day. The decade is interesting when considering New Zealand's developing public sphere. Hope describes the broadcasting regulations as authorising "an institutional voice which restricted popular expression", effectively utilising the medium to define the parameters of discourse in the public sphere (1996, p16). Savage's recognition of the importance of broadcasting had simultaneously expanded and restricted the public sphere. The scheduling of regular parliamentary broadcasts was accompanied by the continuing involvement of government ministers in broadcasting policy and the general censorship of content on radio stations.

2.3 1940s: Public Service Rhetoric At Odds with State Control

A formal declaration in 1939 that New Zealand would be involved in World War II ushered in a period of renewed censorship for broadcasting, this time not for the sake of the country's 'moral welfare,' but for national security. Regular features such

as weather forecasts, mentions of shipping movements and even birthday greetings in children's programmes were discontinued for the duration of the war for fear of inadvertently passing on coded messages and hindering the war effort. All content was thoroughly checked and "anything that was a potential code was forbidden" (Downes and Harcourt, 1976, p122). While early regulations had prohibited the broadcast of propaganda, during the war radio was used in nation building exercises to keep up morale. Downes and Harcourt describe the health and 'pep' talks authorised by Prime Minister Peter Fraser as "a broadcasting function to keep us not only fit but to keep us cheerful." They acknowledge that while the practice was in fact a form of propaganda, it was propaganda that was framed as being for a good cause (1976, p126). Throughout the six year period during which the war was being fought "many peacetime priorities were discounted and the broadcasting services took on new responsibilities and new importance" (Day, 1994, p258).

The creation of the National Broadcasting Service had seen educator and cultural affairs lecturer Professor James Shelley appointed Director of Broadcasting, and radio personality and 'B' station campaigner Rev. C. G. Scrimgeour appointed Controller of the National Commercial Broadcasting Service. The two men were polar opposites when it came to their philosophy regarding broadcasting. Downes and Harcourt note that "to Shelley broadcasting was a sacred trust. To Scrimgeour it was a medium for personal contact, for mass involvement, for reaching out to embrace the common man" (1976, p106). While Scrimgeour had found an ally in Prime Minister Savage, following Savage's death he had an infamously contentious relationship with both Cabinet and subsequent Prime Minister Peter Fraser. When the National Broadcasting Service and the National Commercial Broadcasting Service were merged in 1946 and renamed the New Zealand Broadcasting Service

(NZBS) it was no surprise that Shelley was the one chosen as the inaugural director of the service.

Shelley's personal convictions about the purpose of broadcasting eschewed the idea of commercial broadcasting for entertainment. The preferred purpose of broadcasting was for education and the cultural elevation of the New Zealand people. With Shelley at the helm of the newly merged services, the 1940s ushered in a period where the BBC's Reithian philosophy of 'public service broadcasting' was to have been 'progressively adopted' (Simmons, 2004, p47). Despite this, "Labour's egalitarian ideas did not extend to the structure of communication itself" (Hope, 1996, p17). The fact that the NZBS was state-owned and under ministerial control put it at odds with the public service ideal of independence from political interference. The resulting lack of independence from government meddling and clear ministerial influence precluded the development of any sort of critical journalistic autonomy (Hope, 1996). Throughout the 1940s Labour carried on in the manner in which it had begun in 1935, with the broadcasting service being run as a government department. The National party had voiced strong opposition throughout the late 1930s and 1940s against what they considered Labour's misuse of the radio. However, upon coming to power in 1949 the National party did not relinquish control of the NZBS, "though this was clearly in conflict with the stated ideal of the organisation as independent and impartial" (Cocker, 1994, p246). At this time, politically, the logic of broadcasting development via state control was strongly entrenched. This resulted in the New Zealand adaption of the BBC's public service philosophy being a "fundamental distortion...of the original ideal" (Cocker, 1994, p253). This ultimately saw the public interest become marginalised by the interests of the state.

2.4 1950s: Debating Television

With over three decades passing since the initial experiments in television broadcasting, technological progress had been made. By the 1950's public displays of television were being given at Easter Shows in major urban centres around the country. Parliamentary debates regarding the introduction of television to New Zealand began in 1949 with the first questions being raised by the opposition National Party. Politicians spent the next decade arguing on the subject. Simmons cites Day who described the introduction of television as being "the most important issue of the decade", but notes that as a result of a lack of political action on the subject New Zealand became an "international laggard with respect to television" (2004, p48). Labour and National were at odds as to how television should be developed. National favoured using a private enterprise philosophy, while Labour championed publicly controlled broadcasting. By the mid-1950s Labour was advocating a rapid introduction while National was "not in a hurry to get a television service going" (Simmons, 2004, p51). The cost of developing a television service was at the forefront of much of the debate. In 1956 Labour opposition members in parliament argued in favour of introducing a television service, stating that "there were no serious financial, geographical, or technical obstacles to its introduction" (Simmons, 2004, p50), though National's Minister of Broadcasting "stood firm against what he thought might become a potentially large and unnecessary expense" (Simmons, 2004, p50).

Labour won the 1957 general election and reclaimed power from the National party for the first time since 1949. Despite having campaigned on a policy of introducing a television service to New Zealand, Labour seemed in no hurry to implement any plans. This was due in part to having inherited serious financial turmoil from the

previous government. However, with increasing pressure from the public and lobby groups (Simmons, 2004, p50) and the 1959 release of an influential position paper on the introduction of television by the Secretary of Industries and Commerce, Dr William Sutch, Prime Minister Walter Nash announced during a BBC interview in London in January 1960 that New Zealand would have television by the end of the year (Day, 2000, p28). Nash's announcement caught many back home by surprise but, true to his word, on 1 June 1960 the first non-experimental television program was transmitted to the nation.

Public Service Broadcasting 1961-1984

2.5 1960s: Old Habits Die Hard - Public Broadcasting and Residual State

Control

While the second Labour government was responsible for green-lighting the introduction of television to New Zealand in early 1960, barely six months later it lost the general election to the National party which then set about implementing its own broadcasting policy. This included a major sea-change in the proposed structure of broadcasting in New Zealand. The previously government department-run broadcasting service was given a semblance of autonomy. The Broadcasting Corporation Act of 1961 established a state-owned corporation, the New Zealand Broadcasting Corporation (NZBC), to be run by a three-member board whose function was to manage and develop public radio and television. Day describes the act as “the acceptance of public as opposed to state broadcasting, in which responsibility for broadcasting was removed from the government of the day and given to the board” (2000, p38-39). Broadcasting's transition from government controlled entity with formal ministerial control to a semi-independent organisation

operating at arms-length from the government was the beginning of a new era. This was the start of a movement from direct state-control to public service broadcasting. Nevertheless, as Cocker notes, “old habits persisted: not only traditional managerial practices but political tentacles could be found in the governing legislation of the new corporation” (1994, p247). While the 1961 Act looked to be a step toward removing broadcasting from overt government control, it still included clauses that ensured government influence over the operation and was certainly not an abrupt end to state-control.

Formalised ministerial control was replaced by indirect influence over finances and management at the NZBC. According to Gregory, “the 1960s were, in an important sense, a wasted decade for public broadcasting in New Zealand. The application of corporation control did not lead to independent public service broadcasting but to its discrediting” (as cited in Cocker, 1994). Evidence from Simmons recalls questions that were raised at the time regarding how independent the new corporation was from the government. He notes that it was “always a hotly debated topic of contention”, with calls for a Royal commission into broadcasting to address contentious questions: should commercial or non-commercial principles prevail, and to what extent should the government control the corporation’s management structure and content (Simmons, 2004).

Butterworth’s research brings to light the disparity between the rhetoric used during this time by the National government and its actions. She points out that the governments will to exercise control over content did not extend to funding programme development. Instead it issued licences to import programmes from abroad. Butterworth states (2002):

This was a familiar device of the protectionist state, but in this case it sat strangely with the new National Government's rhetoric of freedom from controls and regulation. It became clear during the decade that National's 'freedom' was to be interpreted as freedom for established interests from uncongenial enquiry and competition. (p182)

Despite the continued political meddling in broadcasting, a social change and break in tradition was beginning to emerge that went against the ingrained logic of state control over content. Hope observes that the end of formal ministerial control over the airwaves and creation of the semi-independent NZBC initiated "a new relationship between government, broadcasting and journalism" (1996, p19). He states that while "NZBC bureaucrats were paternalistic and fearful of public opinion," a new culture of broadcast journalists interpreting and critically reporting political issues was beginning to emerge (Hope, 1996, p19). He credits Brian Edwards' appearance on the first series of Gallery as an "interviewer, television personality and defender of public good" as demonstrating "that one could challenge ministers, criticise police and be sceptical of overseas celebrities, all on national television" (Hope, 1996, p19). It was a change of character for television content that would continue into the next decade and beyond.

As television broadcasting in New Zealand progressed through its first decade and into in the 1970s, the logic of state-control was increasingly discredited and replaced by an acceptance of broadcasting as a public form of communication. Hope points out that "the 1960-1975 period... saw the emergence of a nationwide public sphere shaped by a semi-independent broadcasting network, a modern commercial press and current affairs journalism" (Hope, 1996, p20).

2.6 1970s-Early 80s: Toward Public Service Broadcasting...Sort of

The 1970s was a tumultuous time in broadcasting that saw “open political battles over broadcasting legislation” (Hope, 1996, p20). This was also a decade that cemented the move from state-led to public service broadcasting. With Labour having won the 1972 elections and returning to power for the first time since the introduction of television, big changes were afoot. During the third Labour government’s term in office the NZBC was restructured, colour television was introduced, and a second television channel was created. Two proposals for the second channel had been considered by the Broadcasting Authority – one from the state-owned NZBC and one from an independent private operator. The Labour party had traditionally leant towards maintaining control over broadcasting through regulation and so it was announced in 1972 by Prime Minister Norman Kirk that the second channel would be awarded to the state-owned NZBC, despite the Broadcasting Authority favouring the independent proposal.

Shortly thereafter the 1973 Broadcasting Act abolished the Broadcasting Authority and restructured the NZBC into a Broadcasting Council, two television corporations, a radio corporation, and an independent engineering body (Spicer, Powell & Emanuel, 1996). According to Gregory, Labour held the belief that “the NZBC had become compromised by partisan political interests,” and was suspicious of administrators’ “ability or willingness to resist unwarranted political pressures” (1985, p90). The comprehensive changes to the structure of broadcasting were intended to ensure the independence of the broadcasting system from government control or influence. Labour’s Minister of Broadcasting, Roger Douglas, appointed a committee tasked with reporting on the future of broadcasting in New Zealand. Its wide remit included reporting on the principles upon which public broadcasting should operate and ways in which competition could be encouraged between Television One and

Television Two (soon to be rebranded 'South Pacific Television'). The committee was headed by former BBC employee Kenneth Adam CBE, and its report was delivered just four months after the committee's initial briefing. Key conclusions of the report included an agreement that danger existed "in a system handed over wholly to commercial interests, where the size of the audience is the main preoccupation" (Smith, 1996, p3). Open competition would lead to a decline in the standard of programmes and therefore guided competition with complementary programming on the two state-owned channels would be preferable. Decentralisation of broadcasting's structure would encourage creativity and remove the "omnipresent environment of political conscience" that had existed within the NZBC and its prior incarnations (Smith, 1996, p4). The report encouraged the creative independence of producers to produce content, and called on broadcasters to embrace the public service broadcasting objectives to inform, educate, and entertain, though Day states that journalists from the NZBC regarded the committee as a 'rubber stamp' to approve Douglas's plans for change (2000, p182).

This well-intentioned diversification of the system was short lived, however, with National defeating Labour in the 1975 election and revising the system which had only come into full service mere months before Labour's loss. While it is generally acknowledged that the changes were too fleeting for conclusive judgements to be made, Gregory states that at the time there had quickly emerged "a consensus among broadcasters that they were now relishing an atmosphere of creative purpose such as they had not previously experienced" (1985, p91). Upon National's return to power and the subsequent implementation of the 1976 Broadcasting Act, the newly separated broadcasting services were merged once again to form one corporation, now named the Broadcasting Corporation of New Zealand (BCNZ).

Despite broadcasting going through what must have felt like continuous restructuring, the character and content of television was continuing to develop beyond the muted content traditionally associated with government censorship. The independence won by distancing broadcasters from ministerial meddling had brought about an unprecedented growth in local issue programming. During the late 1960s a culture of independent television journalism had been generated as younger employees of the NZBC “gained sufficient experience and status to produce that independent journalism that is one of the great hallmarks of public broadcasting” (Day, 2000, p139). This brought “the realisation that politicians should be treated like any other interviewee and not be allowed to dictate their interviews” (Day, 2000, p139). The political satire programme *A Week of It All* made its debut during this time and by “the late 1970s investigative journalism on *Close-up*, *Dateline Monday* and *News at Ten* loosened up paternal modes of address” (Hope, 1996, p20). Day notes a ‘fresh willingness and strength’ within the industry at that time to resist political interference, and states that ‘the corporation showed a greater readiness to abide by the principles of journalism, even if that meant a retreat from its earlier willingness to cooperate with other government agencies’ (2000, p142).

In 1980 after the establishment of the BCNZ, the two television channels TV One and TV2 (rebranded from South Pacific Television back to its original name) were merged to become TVNZ. The newly elected Prime Minister Robert Muldoon was a conservative who believed that control of broadcasting could not be left to the broadcasters. An aversion to giving up government control was characteristic of his approach to governing. Because Roger Douglas and the third Labour government had abolished the old broadcasting portfolio Muldoon decided that “parliament would have to legislate a return to ministerial responsibility and broadcasting accountability”

in order to induce “an immediate return to ‘a responsible system of public broadcasting’” (Templeton, 1995, p54). Having adopted a conservative version of the BBC’s Reithian ideals of public service, the new BCNZ was directed to act as a “public trustee of the national interest” (Debrett, 2005, p78). However, while the corporation was expected to fulfil its role as a public service broadcaster there were also commercial expectations to be fulfilled. Since its inception television in New Zealand had been underpinned by a mixed model approach of advertising revenue and government funding via the licence fee (which was raised over time when necessary). During Muldoon’s terms in office the government refused to raise the licence fee any higher than its 1975 level. Smith reports findings from the 1986 Royal Report into Broadcasting revealing that the licence fee accounted for 30.7 per cent of television revenue in 1977, 18.8 per cent in 1983, and 13 per cent by 1986 (1996, p17). This meant that television broadcasters were increasingly relying on income from advertising. Smith describes television during this time as “a state concubine courted by ardent advertisers, whose claims won more and more attention each year” (1996, p16). As broadcasters were increasingly answerable to advertisers for revenue the public service principles upon which public service broadcasting is based were increasingly at risk. This period of ‘public service broadcasting’ in New Zealand can be characterised as having been diluted by expectations of commercial revenue gathering and intrusions from politicians.

During the 1970s a trend in corporate ownership was emerging that would come to define the 1980s. Hope and Myllylahti (2011) state that in 1962 individual shareholders accounted for 57 per cent of the holdings and 40 per cent of the capital among New Zealand’s 12 largest listed companies, but by 1974 individually held shares made up only 22 per cent of the capital in large holdings. The move from

family based business to corporate ownership was also seen in mass media. By 1969 just nine firms owned and operated three quarters of New Zealand's 100 registered publications. By 1980 three major media owners had emerged and owned 70 per cent of the country's daily papers – New Zealand News, Wilson and Horton, and Independent Newspapers Ltd. The general television landscape at this time was one of growing commercial interests. Television had begun with four nights of programming per week, of which only two permitted advertising. As the medium grew in popularity and extended its broadcasting hours, advertising was allowed on four days a week with a maximum of six minutes per hour. After the arrival of the second channel advertisements were permitted to be broadcast five days a week with nine minutes of advertising per hour. Eventually income from television advertising exceeded that brought in by the licence fee (Phillips, 2010). With these developments, the competition for a share of the country's advertising revenue between print media and broadcast media increased. By 1981 television advertising represented almost a quarter of advertising turnover (Phillips, 2010).

It was during this time that the state broadcaster faced a bid from the private sector to enter the broadcasting market. Private enterprise involvement in the broadcasting market was mentioned in National's 1978 election manifesto and the party's Broadcasting Minister Hugh Templeton was approached by two consortiums from the newspaper industry who were "keen to move into the medium" (Templeton, 1995, p61). The first consortium, Alternative Television Network (ATN), was made up of two of New Zealand's three largest newspaper groups, NZ News Limited and Independent Newspapers Limited, and private radio station Radio Hauraki. This group offered private enterprise involvement in the existing services, essentially providing a national service to take over the TV2 network. The second consisted of

the third member of the country's 'Big 3' publishers, Wilson and Horton, along with a number of smaller press interests who were not already a part of the ATN consortium. This group was interested in creating a regionally based third channel. Both Templeton and BCNZ Chairman Ian Cross felt the time was right to introduce competition from private enterprises. While each group had a fairly even number of political supporters, ultimately both failed to gain adequate support and the bid was unsuccessful for all involved. Cocker cites the failure to "put forward a united plan or a concerted approach" as the reason behind the lack of success, claiming that the "industry was split by bitter rivalry and factionalism and this served to confuse the politicians as to which plan had greater merit" (Cocker, 2005, p7). While the newspaper consortiums were supported by Templeton and Cross, the delays in process caused by political indecision and Prime Minister Muldoon's tendency to "let tomorrow take care of itself" had allowed rival non-print media groups to make claims of their own (Templeton, 1995, p61). In 1984 the Broadcasting Tribunal, who had been asked to look into the idea of regional television, suggested a 30 per cent limit on shareholding by radio and newspaper companies to avoid cross-media ownership (Smith, 1996, p21). This was a crushing blow to the consortiums and effectively ensured that newspaper interests could only be minority shareholders in any group who managed to secure a warrant from the Tribunal. In 1985, after the fourth Labour government came to power, the Tribunal was directed to begin the process of hearing applications for a third channel from private interests. It would still be years before the successful applicant was granted a warrant though, and even longer before the new channel would go to air.

Ultimately the New Zealand experience of 'public service broadcasting' never lived up to that of the BBC ideal as politicians "failed to give the public a consistency of

policy or a stable broadcasting order” (Cocker, 1994, p252). However, New Zealand had at least made some headway in later years by distancing broadcasters from ministerial meddling. The public broadcaster operated semi-independently from the government and fostered a culture of programme content that facilitated the growing profile and popularity of current affairs journalism. The election of a Labour government bent on reform in 1984 saw the beginning of another change in broadcasting structure and signalled the start of a new phase of television development.

2.7 Conclusion

An overview of the early days of mass-media and broadcasting in New Zealand highlights the competing logics of state-control, public service, and commercial ratings. It also provides insight into the modern mediated public sphere, the development of which is closely linked to trends in broadcasting policy and industry structure.

While initially conceived as a point-to-point mode of communication for military use, the development of ‘the wireless’ saw radio broadcasting quickly grow in popularity and create a demand for an expanded service. This created a sense of unease for authorities concerned with guarding New Zealand’s ‘moral welfare,’ and the fledgling industry was quickly regulated. The initial reaction of authorities to censor and regulate independent operators eventually became full state control in the 1940s, despite the introduction of Parliamentary broadcasts. The government created a monopoly over the airwaves making all broadcast content subject to ministerial scrutiny. The broadcasting service was run as a government department and reflected the national political preference for state control.

The reality of state control is at odds with liberal political theory concerning the functions of media in a democracy. News media institutions were expected to act as a watchdog over the state. Citizens ought to be provided with information so they can participate fully in the democratic process (Butsch, 2009). What started as content censorship in the 1920s and 1930s evolved into administrative state control in the 1940s; a tendency which lasted well into the 1970s. The lack of independence from the state meant that the government was able to shape the parameters of public debate while claiming it was acting in the public interest. Politicians considered broadcasting to be a state tool through which to promote party interests. The development of any sort of critical journalism or mediated public debate was delayed until the broadcasting service gained some autonomy from the state. The corporatisation of the broadcasting service in the 1960s was the first step in this process and saw the removal of overt ministerial control over the medium. Though it took years for the service to gain true autonomy, this was the beginning of the second phase in New Zealand's broadcasting development that saw the state function of broadcasting overruled by public service principles. While the service was not fully public service in the Reithian sense – it was still funded by a mixture of licence fee and advertising – it did encourage broadcasters to take on more of a fourth estate role. This was reflected in the development of current affairs programming and a culture of television journalism. The power balance involving the state, public service principles and corporate interests initially favoured the state before media institutions asserted their independence from state interests. Butsch describes liberal political theory as casting media “as allies of citizens in their role of supervising democratic government through public opinion,” and the eventual autonomy gained as the state relinquished control of the broadcasting service

certainly seems to have positioned media in that role. However, the 1980s saw a trend toward the predominance of corporate interests. This imbalance did not have the effect of directly censoring media content in accordance with government interests, however, the general function of media was effectively reorganised to meet commercial priorities. This presented a different, though just as concerning, set of problems for the public sphere.

Chapter 3:

The Market Prevails 1984-1999

During the early 1980s neoliberal ideology, with its emphasis on free markets and deregulation, was gaining international prominence. As economists from Treasury influenced key ministers, the New Zealand government began the process of converting public services into businesses. Television in New Zealand had a commercial element from its inception with advertising used to supplement income from the licence fee. However, the market-led approach implemented in the late 1980s meant that the balance between social and commercial objectives, which had been somewhat protected by the government monopoly over broadcasting and its regulation of public service content, began to skew dramatically towards commercial imperatives. This phase could be described as the swiftest of the three periods of broadcasting development to become established as the status quo. The previous phases – first, the move from decentralised point-to-point communication to broadcasting under state control, and second, the move from state control to partly public broadcasting – had evolved over a number of years, if not decades. The move to state control was gradual, with the government first implementing regulations and establishing Crown ownership over the national service over a period of around 15 years. Eventually state control was established by making the broadcasting service a government department under complete Ministerial control. And while the move from state control to public service broadcasting theoretically happened when

broadcasting was corporatised in 1960, the power held by politicians to control the service was not immediately relinquished, and in fact was maintained for a significant period of time.

These slow changes contrast with the rapid and radical change implemented by the fourth Labour government during the late 1980s (although it is probable that the historical commercialisation of television in New Zealand helped this process, as the state-owned television service was already juggling social and commercial objectives during the late 1970s and 1980s). Restructuring Television New Zealand into a state-owned enterprise in 1988 made it clear that TVNZ (along with its radio counterpart Radio New Zealand) was to be run as a fully commercial entity and signalled a clear change in priorities for broadcasting in New Zealand. While earlier decades of the twentieth century were characterised as 'state controlled' and 'public service', the 1980s and 1990s were a time when developmental logic favoured ideals associated with free market economics and 'the New Right' ideology that would be retrospectively referred to as 'neoliberalism' (a term that has taken root in the global consciousness and refers to a particular form of free market economic thinking). Neoliberalism, according to Mudge, is a system distinguished by its "Anglo-American anchored transnationality" and an "unadulterated emphasis on the (disembedded) market as the source and arbiter of human freedoms" (2008, p704). Neoliberal influence was not limited to New Zealand's broadcasting policy; rather it was part of a wide-spread movement that heavily influenced government policy in many sectors beginning with the election of New Zealand's fourth Labour government in 1984. This period, known as 'the New Zealand experiment' (Kelsey, 1995), is characterised by an abrupt change in government policy priorities, far reaching economic reforms, and intense deregulatory practices, all of which resulted in a significant shift in the

direction and purpose of television broadcasting. The shift towards market freedom and away from state intervention permeated the broadcasting industry and its influence continues to impact upon the television broadcasting environment to this day.

1984-1988: The Lead Up to Deregulation

3.1 The New Zealand Economy in 1984

New Zealand's fourth Labour government was elected in mid-1984 during a time when the country's economy was in crisis. Upon assuming power the Labour party had "inherited a chronic balance-of-payments deficit, growing public sector debt, a high inflation rate and a sharply rising level of unemployment" from the previous government (Reardon and Gray, 2007, p448). New Zealand's economic problems had persisted since the early 1970s thanks to a global oil crisis and domestically based export and currency crises but, according to Reardon and Gray, the Muldoon government had exacerbated these problems by failing to adequately address the underlying "structural weakness of the New Zealand economy"(2007, p448). Instead it chose to invest in a series of state interventions that weakened the economy further.

The economic struggles of the 1970s and 1980s were preceded by a period of manufactured stability brought about by the implementation of insular economic policies that date back to the 1930s. Protectionist measures were maintained by successive governments in order to provide economic stability for the welfare state system that was established by the first Labour government. Social reforms relating to social security, education and health were implemented, and full employment was a key focus of economic policy at the time. In order to maintain the welfare system

and to provide a stable economy, controls were introduced that effectively regulated finance and banking, and the economy overall (Jesson, 1992). The economy was buoyed by a favourable relationship with Britain to which primary goods such as meat, wool and dairy products were exported. Imported goods were restricted, leaving a vacuum that New Zealand businesses stepped in to fill. New Zealanders were therefore able to enjoy a comparatively high standard of living. Jesson describes this period as being secure and prosperous for New Zealand business but points out that it was an existence based on inconsistency because “While the political ethos of the country was individualistic and egalitarian, the freedom of action on the part of business was limited” (Jesson, 1992, p40). He states that New Zealand was able to maintain a “privileged economic position” through its Commonwealth links, despite having an economic structure that was “reminiscent of the countries in the southern zone of South America” (Jesson, 1992, p41). The underlying weakness of the economy was masked by protectionist economic policies and the country’s export agreements with the United Kingdom and other countries, and it was during the 1970s that this weakness was revealed.

By that time the country’s links to Britain had become “a disruptive factor” and New Zealand was showing signs of economic decline on par with countries to which it was structurally similar, such as Argentina and Chile (Jesson, 1992, p41). Key industries including farming and manufacturing were hit by a fall in commodity prices which resulted in substantial unemployment, something Jesson considers to have exposed “two fundamental faults in the economy: the dependence on farming for export income was clearly unsustainable; and the range of secondary industries that had developed behind the protective barriers proved inefficient and costly – in short, a drain on the economy” (1992, p41). The Muldoon government responded to this

crisis by increasing government intervention in the economy through subsidies and borrowing. In this context the 'Think Big' strategy originally sought to invest in energy-based industries but eventually came to refer to any large investment project with significant government involvement (Easton, 1989a, p119). This response only added to the country's debt, and unemployment and inflation continued to rise culminating in a wage, price and interest rate freeze in 1982. Kelsey (1993) reports that in 1975 New Zealand had less than 3000 people registered as unemployed, but by 1980 that figure had risen to almost 21,000, and 50,000 by 1984.

For these reasons the new Labour government was under great pressure to provide economic relief for the country. Incoming Finance Minister Roger Douglas responded by implementing a series of drastic economic reform measures which would later become known as 'Rogernomics'. Since 1935 a series of Keynesian economic policies had persisted that fell under the umbrella ideology of 'state interventionism'. New Zealand politicians had for decades operated in a policy climate that favoured regulation and protectionism. Subsequent governments continued to make decisions on the basis of Keynesian social democratic principles until the ideological change in economic policy of the 1980s.

3.2 Defining Neoliberalism

Neoliberalism is defined in many different ways by many different people, though central themes include its promotion of free market ideals, a focus on market expansion and a preference for the global rather than the local, and a diminished role for the state. Giroux describes it as "a more virulent and brutal form of market capitalism" that attacks democracy, public goods and non-commodified values

through its “belief that the market should be the organizing principle for all political, social, and economic decisions” (2005); while Thorsen (2010) describes it as:

A loosely demarcated set of political beliefs which most prominently and prototypically include that conviction that the only legitimate purpose of the state is to safeguard individual liberty, understood as a sort of mercantile liberty for individuals and corporations. This conviction usually issues, in turn, a belief that the state ought to be minimal or at least drastically reduced in strength and size, and that any transgression by the state beyond its sole legitimate *raison d’être* is unacceptable (p203)

In their definition Campbell and Pedersen (2001, as cited in Mudge, 2008)

acknowledge the institutionalised nature of neoliberalism, asserting that it is:

[A] heterogeneous set of institutions consisting of various ideas, social and economic policies, and ways of organizing political and economic activity... Ideally, it includes formal institutions, such as minimalist welfare-state, taxation, and business regulation programs; flexible labour markets and decentralized capital-labour relations unencumbered by strong unions and collective bargaining; and the absence of barriers to international capital mobility. It includes institutionalized normative principles favouring free-market solutions to economic problems, rather than bargaining or indicative planning, and a dedication to controlling inflation even at the expense of full employment. It includes institutionalized cognitive principles, notably a deep, taken-for-granted belief in neoclassical economics (pp705)

It is generally agreed that at the ideological core of neoliberalism is “the elevation of the market – understood as a non-political, machine-like entity – over all other modes of organization” (Mudge, 2008, p704). In terms of being recognised as a valid economic theory or movement, neoliberalism gained traction among Western nations such as the United States and Britain during the 1970s thanks to the increased influence of ‘a significant number’ of economists who were committed to free market theory and whose theories could be used to “criticise government intervention in the economy” (Backhouse, 2009, p23). The idea that the market should be free of barriers or regulation in order to provide for the needs of society are radically at odds

with the Keynesian social democratic policies usually associated with the Labour party.

3.3 Neoliberalism Catches On In New Zealand

Given the economic situation facing the newly elected government in July 1984 it is not surprising that they felt the need to take drastic measures. However, the reforms were radically different to the platforms and policies that Labour had traditionally championed, and extremely far-reaching. In fact, while the country's economic fortunes were changing in the 1970s so too was the country undergoing a change in political makeup. Jesson describes "the state-based and authoritarian aspects of New Zealand's political structure" as being "subverted by the underlying individualism" (1992, p42). Political changes were occurring on both the left and right of the political divide. On the left was a rise in 'middle-class social liberalism' that was linked to the student radicals of the 1960s who had grown older but maintained "a concern for social, moral and foreign-policy issues", and who had "developed an obsessive hatred for Muldoon, because of his authoritarian and traditionalist attitudes" (Jesson, 1992, p42). The working classes, traditionally Labour supporters, exhibited a decline in political interest as a new wave of middle class social liberals filled the gaps left in the Labour party. On the right was "a revival of the free-market, anti-state individualism that had been virtually eliminated from New Zealand politics by the foundation of the welfare state" (Jesson, 1992, p42). Supporters of neoliberal economics pointed to government intervention and the welfare state as reasons for the economic crisis. This kind of thinking is personified by Roger Douglas, who was a member of the traditionally Keynesian-influenced Labour Party, which makes the rapid shift in his economic policy positions in late 1983 all the more surprising (Oliver, 1989). The move from interventionist to free market policy positions

coincides with the term of secondment of a Treasury advisor with whom Douglas collaborated closely, and the influence of Treasury over the country's change in policy direction is widely noted (Reardon & Gray, 2007, p452; Wistrich, 1992, p122; Oliver, 1989).

Roger Douglas gained control over Labour's economic policy when David Lange assumed power of the Labour party in 1983 and while it is clear that he favoured neoliberal reforms as the solution to the economic crisis, there are differing opinions as to whether Douglas was in fact an ideologist who had been influenced by neoliberalism, or a pragmatist who saw neoliberal policies as the best fit to pull the New Zealand economy out of crisis. Keith Locke is quoted by Reardon and Grey (2007) as stating that Douglas had been 'captured' by neoliberal influence emanating from the Treasury at the time. He states that the policies implemented by the fourth Labour government:

were part of an international current of New Right economics that were developing against the traditional Keynesian approach. It was all about extending the power and reach of global companies and breaking down protectionism... Douglas and his followers were absorbing material such as neo-liberal theory from overseas, and their developing agenda was based upon that. The Treasury had its share of neo-liberals, who in turn captured Douglas and the other Finance Ministers (p450)

In contrast, first-hand accounts from those who worked with Douglas in the Labour party implementing his policies suggest that he took a pragmatic rather than ideologically-backed approach to the economic crisis. Former Cabinet minister and proponent of neoliberal policies, Richard Prebble, is cited as describing Douglas as a pragmatist and polymath, not an ideologist, "who was very much his own man, choosing policies instrumentally to suit circumstances, and rejecting ideological labelling" (Reardon and Gray, 2007, p451). Margaret Clark also views Douglas as a

pragmatist, and states that rather than being used by international neoliberalism, Douglas was the one doing the using. She is cited as saying that “given there was a world-wide trend towards deregulation and market liberalism, this undoubtedly helped Douglas to push his own agenda through” (Reardon and Grey, 2007, p451). In any case, Douglas clearly believed, whether pragmatically or ideologically, that in order to be successful the reforms needed to be far-reaching, and his economic policy influenced many other areas of Labour’s policy.

During his years in Opposition Douglas had worked with like-minded colleagues to produce a document that mapped out what Labour’s economic policy was to be upon re-election. Douglas’ proposal sought to remove the influence of social and political objectives from economic policy, and this resulted in “a classic confrontation between the defenders of welfare capitalism and corporatist democracy and the disciples of liberalism and market forces” (Kelsey, 1993, p18). In fact, the document that would end up as Labour’s point of reference for economic policy was the Treasury’s briefing document presented in 1984 to the incoming government entitled *Economic Management*. Kelsey describes this briefing as signalling “an ideologically-driven onslaught against the dominance of the state in the New Zealand economy” because the content of the document included a call for “the urgent decoupling of political and economic control” (Kelsey, 1993, p29). In short, the document leaned towards implementing a more market-led economic system combined with the reduction of government involvement in economic affairs. The aim was to restructure the economy so as to make efficient use of resources, thus reaping their maximum value, and was complemented by a reorganisation of the management process that aimed to systemise and streamline the policy making process. Easton describes the reform strategy as “monetarist macroeconomics and commercialist microeconomics”

that ultimately “became the vehicle by which a coalition of Treasury, business, and others pursued their own narrow objectives” (1989b, p9). The new direction Labour was taking in relation to economic and other policy was so at odds with the traditional ideological direction of the Labour party that many Labour politicians were uneasy with the changes. The decision to implement such far-reaching and radical reforms polarised the party internally and resulted in some members deciding that Labour had strayed too far from its left-wing roots. In their view Labour had abandoned the election platform upon which it had campaigned during the 1984 election. While most of the party eventually accepted Douglas’s agenda for change, Jim Anderton felt so strongly that he resigned to form NewLabour, later known as the Alliance. Ultimately, Douglas’s zeal for total reform would cost him his position in the party. He was forced to resign in 1988 after David Lange became uneasy about the scale and pace of policy change amidst growing public dissatisfaction.

3.4 Changing Political Ideology and Television Broadcasting

Television in New Zealand had been funded by a mixture of advertising, a licence fee and general taxation almost since its debut in the early 1960s. From these revenue streams the national broadcaster had attempted to provide some level of public service programming that fulfilled the Reithian objectives to inform, educate and entertain. While it is generally acknowledged that New Zealand has never had a pure system of public service broadcasting thanks to the selective adoption of public service features that characterised New Zealand’s broadcasting history, there were several key developments over the years leading up to deregulation, that undermined the notion of a public service approach to television broadcasting

(Cocker, 1994; Horrocks, 2004a). Horrocks describes this approach as being “compromised” by three developments. Firstly, the mixed funding approach that allowed an increasing number of advertising minutes per hour until “advertising (and advertisers) became steadily more important to television than licence fee income” (2004a, p28). Secondly, the low level of local content that had come about as a result of budgeting pressures, Muldoon’s refusal to increase the licence fee, and the propensity of broadcasting executives to see local production as optional spending (such that cheaper programmes were purchased from overseas). Thirdly, the conservative approach to broadcasting that had emerged as television was “tempered in New Zealand by the cautious, bureaucratic atmosphere that developed not only in television but in many areas of the public sector during the Muldoon era” (Horrocks, 2004a, p28). These pre-existing features of New Zealand’s television media environment, in conjunction with the shift in TVNZ’s organisational culture that was implemented at TVNZ during the 1980s, precipitated the adoption of full-scale commercialism.

While official policy changes only came into effect with the 1989 Broadcasting Act, much of the previous decade had been spent preparing for change. This had resulted in a move away from the public service model of broadcasting towards a commercial one. An ideological change in the way television was viewed had been promoted since the change of government in 1984. While television had previously been considered a cultural resource and public service, political and industry rhetoric now framed it as a commercial entity from which the benefits would be financial rather than cultural. According to Horrocks, the government promoted the idea of lifting restrictions and encouraging commercial enterprise as a way for New Zealand to benefit from global changes to the media landscape (2004a, p29). This ideological

change in the lead-up to deregulation was enacted not just on a political level but within the broadcasting corporation itself. A shift in organisational culture within the BCNZ saw that it was soon subject to “financial controls and major changes in staffing, culture, attitudes, and objectives” and spent much of the mid-1980s undergoing extensive organisational changes (Spicer, Powell & Emanuel, 1996, p24). These changes included strategic planning and management so as to prepare the broadcaster for inevitable competition from private broadcasters such as TV3, which was granted a warrant to operate in 1987 but which did not begin transmission until 1989. The change in organisational climate was noticed onscreen as well, where “new strains of ideology were soon apparent... The new order was based on a commercial mode of address with the blurring of ‘infomercial’ boundaries and the constant interpellation of the viewer as a consumer rather than citizen” (Horrocks, 2004b, p59).

Ultimately, when the government altered the ideological frame through which they set economic and other policies, they moved away from the notion of public service that had served as a guide for New Zealand broadcasting, and towards the logic of commercialisation.

3.5 Neoliberalism and the Political Economy of Global Media

A political economy approach to media and broadcasting reveals how financial liberalisation, market deregulation and privatisation have had an effect at both a global and local level. Over the past 30 years there have been significant changes in the way media systems function. Developments in information and communication technology have enabled media systems to stretch across time and space in a way that was not previously possible. With the advent of digitisation media content flowed across multiple media platforms (Jenkins, as cited in Dwyer, 2010). The owners of

traditional media platforms incorporated new media functions in their repertoire of outlets, and extended the linkages between media corporations – many of whom were operating on a global scale. With ‘horizontal integration’, media corporations acquired a series of holdings which produced the same or similar products and services. This practice results in a reduction of market competition due to the reduction in market participants. This may even end in a monopoly situation if the market is unregulated. Such a practice occurs on both local and global scales, with media companies expanding across platforms, as well as local and national markets. An example of this is movie studios in Hollywood, the ownership of which has converged to such an extreme that there are only a few major players left that dominate the industry. Media corporations have also expanded vertically, taking advantage of a neoliberal environment of policy deregulation by moving across media industries. It is now common to see media corporations with holdings across multiple media industries and multiple communication sectors. An example of this is Rupert Murdoch’s NewsCorp, which owns numerous holdings in different media and entertainment sectors across multiple national markets. If horizontal expansion across geographic borders makes a corporation ‘wider’, then vertical expansion across media and sectors makes a corporation ‘taller’.

A contingent of transnational media organisations, most of whom originate from the United States but who often purport to be ‘global corporations’, have stretched across national borders and into new markets from which they ultimately profit. McChesney observes that “the point is to capitalize on the potential for growth abroad – and not get outflanked by competitors” (2001, p3). Obvious examples of these global corporations are ‘The Big 7’ – the seven largest ‘top tier’ transnational multi-media corporations who dominate the global media landscape. These multi-

national diversified media conglomerates were listed by Arsenault and Castells (2008) as being Time Warner, Disney, NewsCorp, Bertelsmann, NBC Universal, CBS, and Viacom. These organisations do not exist in any one economy; rather, they function on a global scale within a global economy that relies on deregulated local markets in order to exist. For example, the assets held by NewsCorp alone are enough to convince anyone that it is truly operating on a global scale. They are too numerous to name but include companies from all sectors of the media industry including film, television, internet, print and book publishing, as well as telecommunications, music and sport. The company's assets are located in regions and countries around the world including the USA, UK, Europe, New Zealand, Australia and the Pacific Islands. There is also a 'second tier' of media conglomerates that may not command the level of global influence as the Big 7, but have created significant local or regional influence by acquiring multiple assets in one or more markets. An example of this is CanWest, a Canadian company founded by media magnate Israel Asper, which owned a significant proportion of Canada's media during the 1990s and acquired multiple media assets in other countries including New Zealand, Ireland and Australia. The company was often used as an example to illustrate how there had been a concentration of media ownership in Canada (Moore, 2002), though this example is relevant to any country in the world that has experienced media ownership convergence.

McChesney (2003, p5) describes the transnational capitalist pursuit of profit as "the real motor force... which has applied pressure for a shift to neoliberal deregulation". As transnational media organisations expand into foreign markets, the power and profit they accumulate allows them to influence policy-makers by removing barriers to the commercialisation of media and the concentration of media ownership, thus

allowing for further expansion and profit. McChesney (2003) notes that once national deregulation has taken place and private media systems are established:

It is very difficult to maintain public involvement in the policy-making process. Private interests are able to use their cultural, economic and political power to prevent open evaluation of whether they are proper stewards of the nation's media. Once this 'deregulation' process is near completion, it is very difficult to reverse the process, as extremely powerful interests block the democratic path (p126-127)

While new digital and online technology has enabled transnational corporate expansion and a neoliberal hegemony, McChesney (2001) is careful to clarify that "there is nothing inherent in [new digital] technology that required neoliberalism". He points out that:

New digital communication could have been used, for example, to simply enhance public service media had a society elected to do so. With neoliberal values, however, television, which had been a non-commercial preserve in many nations, suddenly became subject to transnational commercial development. It has been at the centre of the emerging global media system (p5)

1989-1999: Deregulation and Foreign Media Ownership in New Zealand

3.6 Deregulation and the Broadcasting Reforms

By 1987 the newly re-elected Labour government had begun the process of deregulating various sectors, including telecommunications. In April 1988 Cabinet made the decision to deregulate the broadcasting sector. Norris describes the guiding principles of the broadcasting deregulation as being "to increase competition and consumer choice and to separate clearly the commercial from the non-commercial" (2004, p3).

1988 was a significant year in New Zealand television history. The government acted swiftly after deciding to deregulate the broadcasting sector and a number of key

decisions were made that related to setting and implementing new broadcasting policy principles. Cabinet quickly agreed on a series of policy principles that included: removing legislative barriers to market entry, eliminating restrictions on the introduction of various technologies, and developing a method of spectrum allocation. Principles relating to the social objectives of broadcasting included: initially continuing public ownership of broadcasting companies, ensuring special restrictions for foreign ownership and cross-media ownership, establishing a commission for the promotion of universal access (incorporating minority and local character programming using a system of competitive broadcasting grants), and establishing an independent standards authority to maintain standards of decency and behaviour among the broadcast media (Spicer, Powell & Emanuel, 1996, p10-11).

Shortly thereafter two committees were established to advise the Minister of Broadcasting on principle implementation, and their recommendations were provided to the Minister by early August. The recommendations made by these committees would shape New Zealand's future media system, and a number were agreed to by Cabinet in late August 1988. Key recommendations included: disestablishing the BCNZ and replacing it with two state-owned commercial enterprises (Radio New Zealand and TVNZ), and establishing an independent commission to administer funding for content that would promote New Zealand's identity and culture. The Broadcasting Corporation of New Zealand Restructuring Act 1988 ensured that the advisory committee's recommendation in relation to the establishment of TVNZ and RNZ as State Owned Enterprises was completed by December of that year. By 1989 the government's neoliberal agenda was well advanced. The economic sea-change saw subsidies removed or reduced in many industries, including agriculture. The tax

rate was halved, with the resulting losses paid for by the introduction of a goods and services tax (GST). This was introduced at 10% in 1986 and increased to 12.5% in 1989. In the broadcasting sector further changes were set in motion by the Broadcasting Act 1989. The 1989 Act repealed the 1976 legislation and disestablished the Broadcasting Tribunal, which until this point had been responsible for issuing warrants for broadcasting. Among other things the Act reduced restrictions on foreign investment and advertising hours, and it is interesting to note that while the Broadcasting Tribunal had been directed to consider “the desirability of avoiding monopolies in the ownership or control of news media” when allocating broadcasting warrants, the Broadcasting Act 1989 carried no similar provision (Ministry of Commerce, 1997).

The 1989 Act also established the Broadcasting Commission (later known as New Zealand on Air) and the Broadcasting Standards Authority as had been recommended by the Minister of Broadcasting’s advisory committees. Previously government funding had been provided directly to the state-owned networks, which allowed the process little transparency. The new system would be funded by the license fee, stand independently of any network, and support content that fulfilled key objectives set by the government irrespective of whether the network was state owned or privately owned. These organisations were devised to fill the programming gaps that would inevitably occur in a fully commercial environment, though it was not smooth sailing for the Broadcasting Commission (NZOA) from the outset. According to Horrocks, “NZOA had to engage in tough negotiation with broadcasters because neither network was prepared to waste valuable airtime on programs that might turn away viewers or advertisers, even when those programs were important for public service reasons and NZOA offered them free” (2004a, p31). In fact, this is the

inherent problem facing NZOA to this day. The broadcasters still hold the ultimate power in commissioning programming, and NZOA cannot insist or impose public service programming upon them. The drive towards commercialisation was one that dominated the broadcasting sector and while it was “initially promoted in terms of economic and administrative efficiency, the new approach had far reaching social and cultural implications, widening the gap between TVNZ and NZOA” (Horrocks, 2004b, p34). Horrocks (2004b) describes NZOA as representing

A new definition of what public service broadcasting meant for New Zealand and what its priorities were. It was expected to play only a minor role in the new broadcasting environment – as a kind of ‘ambulance at the bottom of the cliff’, helping to allay public concern over TVNZ’s ultra-commercial new approach (p31)

Labour was voted out of power and replaced by the fourth National government in late 1990, but the change in government did not change the ideological direction of policy making. National would lead the country for the next nine years and pick up the deregulatory baton from Labour. One of the many amendment acts implemented by National during this time was the Broadcasting Amendment Act 1991 which removed ownership restrictions on broadcasting by overseas persons. While Labour had reduced restrictions (capping the limit to foreign ownership of a network at fifteen per cent), National removed all barriers to such foreign investment in New Zealand based networks and allowed foreign interests to set up private media businesses.

Throughout the 1990s the sale of one or both of TVNZ’s channels was high on the agenda for the National government and during the latter half of the decade the broadcaster was actively prepared for sale (Norris, 2004). Comrie and Fountaine note that an increase in taxes and dividends paid to the Crown by TVNZ stalled the

proceedings during the early 1990s. With the annual total return increasing from \$7million in 1990 to \$90million in 1996, the broadcaster was a 'cash cow' for the government. However, the "reduced advertising profits and looming digitization made TVNZ a potential liability" during the late 1990s and so the intention to sell was renewed (Comrie and Fountain, 2005, p105). In 1997 Cabinet agreed that a scoping report should examine the potential benefits of selling TVNZ. The report was commissioned by Treasury with instructions to "review the Crown's ownership interests in TVNZ, including an assessment of the risks associated with ownership, different possible ownership structures and sale methods, and the valuation impacts and other issues associated with each option" (Ryall, 1998). Horrocks suggests that legal intervention by Maori was a key reason why TVNZ was not sold at this time because the Maori community had launched a successful legal challenge to the Privy Council. The Privy Council ruled that the government was to ensure the representation of Maori culture and language on national television (2004, p64) The 1998-1999 sale of TVNZ's shares in Sky TV and removal of the television broadcasting licence fee was further evidence of the government's intention to privatise the broadcaster, however a change in government from National to Labour put an end to these plans.

3.7 A Private Broadcaster is Born: TV3 during the 1990s.

The country's private broadcasters TV3 and Sky TV benefitted greatly from the removal of foreign ownership restrictions in the early 1990s. TV3 in particular was saved from certain failure by an injection of funds from foreign interests. It was the prospect of failure that prompted the government's move to change media ownership regulations such that broadcasters could look abroad for investment.

TV3 began as a company owned and operated by New Zealanders. The company was founded by a team of experienced broadcasters who, according to Smith, saw themselves as “escapees from state television” (1996, p22). The group’s application for a warrant was described by the Broadcasting Tribunal as being the “strongest individually and collectively” (Smith, 1996, p46). The tribunal overlooked the fact that the company had been financially weak from the outset. Each of the country’s four regions (Auckland, Waikato, Wellington and Christchurch) would be represented by a sovereign regional company. Each one was to be headed by a separate producer/managing director - Tom Parkinson for Auckland (Region One), Geoff Bennett in Waikato (Region Two), George Andrews in Wellington (Region Three), and Trevor Spitz in Christchurch (Region Four). The shareholdings of each company were to be broadly spread within the region with no cross ownership allowed. A network committee made up of the four managing directors was to be the decision-making body for TV3 policies.

Allowing interests to break the state monopoly over broadcasting was a contentious issue during the mid-1980s, but eventually the government decided that private regional television should be developed “without delay” (Smith, 1996). Hearings were organised by the then still-operational Broadcasting Tribunal to determine which, if any, of the numerous applicants would be granted a warrant to broadcast. The two years of hearings included an appeal through the courts by the BCNZ to force the Tribunal to reassess its decision, thus buying time for the state owned broadcasters to prepare for the inevitable competition of a third channel. Eventually a warrant to broadcast was granted to TV3 in August 1987. Initially programming was to be king, with TV3’s structure and practices based around the ideal of producing local, regionally diverse content. However, the new company’s hopes for regional

television were effectively dashed when the stock market collapsed in October 1987. The resulting world-wide recession affected TV3's ability to raise the capital needed to begin transmission. Additionally, the announcement in April 1988 that broadcasting would be deregulated meant that TV3 would be competing in an environment drastically different from that which had been anticipated. The changes that occurred between the granting of a broadcasting warrant in 1987 and transmission debut in 1989 forced TV3 to shelve the idea of regional television. According to financial analysts, what was needed was "a reconstituted, commercially oriented board, an attitude which implied the superiority of business expertise over broadcasting talent" (Smith, 1996, p48). Forced to reconsider its options in a new broadcasting and economic environment, the company radically changed the style, direction and shareholding of the company in the second half of 1988 (Smith, 1996). By December 1988 a new Chief Executive had been installed and an investment was received from NBC worth \$10 million. This amounted to an almost fifteen per cent ownership stake in the company – the most that would be allowed under the soon to be passed Broadcasting Act 1989. When TV3 went to air it was a markedly changed company with its initial commitment to regionalism represented only by newsrooms in key areas (Smith, 1996).

TVNZ entered the 1990s looking for all intents and purposes like a commercial broadcaster with a strategic plan and a staff of commercially minded executives. Having underestimated what it would take to break TVNZ's long-held monopoly over the broadcasting market, TV3 went into receivership in 1990 just six months after launching. The company struggled to adjust to the significant changes in the broadcasting industry between 1987 and 1989. According to Norris "deregulation had dissolved the system in which [TV3] had been conceived and consequently, they

faced a tougher, more competitive environment” (2004, p4). The network managed to continue broadcasting with Westpac Banking Corporation as a major creditor. Faced with the prospect of losing the newly launched network altogether, the National government further liberalised the restrictions on foreign ownership. The cap was increased to 49 per cent before it was removed altogether in 1991, allowing TV3 to look overseas for investors. In December 1991 CanWest, “a globally active media conglomerate based in Canada” took on a 20 per cent shareholding of TV3 and negotiated a management agreement that gave it full control of station operations (Norris, 2004, p18). By this time the regional roots and local beginnings of the company were long gone, and in 1997 full foreign ownership was completed. That year the network’s second channel, TV4 (since rebranded C4, then FOUR), was launched and CanWest aggressively pursued the remaining stakes in the company held by other stakeholders. In April CanWest purchased the forty eight per cent stake held by Westpac, increasing its stake to sixty eight per cent, and in December acquired the remaining thirty two per cent. In June of that same year the company acquired the More FM radio network, expanding CanWest’s New Zealand assets to include radio as well as television broadcasting (Rosenberg, 2008).

3.8 Pay Television Comes to New Zealand: Sky TV during the 1990s

The liberalisation of the broadcasting sector resulted in increased competition for the state-owned channels. While TV3 and TV4 were TVNZ’s major competition during the 1990s, they were not the only channels launched during this time. Thanks to the removal of restrictions on foreign ownership a free to air competitor, Prime, was launched by Australian company Prime Television Limited in 1998. And as a result of the government auctioning off UHF frequencies to private interests Sky Network Television entered the market in 1990. Sky was established in 1987 by New Zealand

businessmen Craig Heatley and Terry Jarvis who initially intended to develop a service that provided sports programming via satellite to private dwellings and facilities like pubs and clubs. That vision of providing a television service was expanded after the government announcement that the country's UHF frequencies would be put up for auction. TVNZ and TV3 were allocated VHF (Very High Frequencies) on which to broadcast, but the UHF (Ultra High Frequencies) were not being used for television and it was decided that these frequencies would be auctioned off to private interests in order to provide a platform for broadcasters interested in entering the market (Smith, 1996). Sky was the big winner in the auction process, coming away with four national channels and multiple regional ones which would be used to extend service throughout the country. What had started out as one sports channel was extended to be a multi-channel pay TV service that would be delivered using UHF. Sky quickly won long-term New Zealand broadcasting rights from American content providers like ESPN and CNN, and its pay TV package boasted a sports channel, news channel, and a movie channel. In 1988 TVNZ bought shares in Sky, which effectively established a decade-long link between the country's first pay TV provider and the state owned broadcaster.

The 1991 removal of foreign ownership restrictions allowed Sky to seek investment from abroad. Consequently, a consortium of four American companies (Ameritech and Bell Atlantic who had recently bought a controlling interest in Telecom; global cable television provider Telecommunications Inc. (TCI); and global entertainment company Time Warner) purchased a fifty one per cent share of the company (Smith, 1996). Newly flush with funds from foreign investments, Sky was able to extend its reach and content. It created controversy in 1992 when it secured the rights to broadcast television coverage of New Zealand-South Africa rugby tests during that

year. While Sky had initially put in a joint bid for the rights with its shareholder TVNZ, it also offered a separate bid without the knowledge of TVNZ. Upon Sky securing the sole rights to broadcast the coverage TVNZ went to the High Court and was granted an injunction which resulted in Sky broadcasting the coverage live and TVNZ replaying it hours later. According to Smith, "it was still a victory for pay TV, and signalled the beginning of an era of information haves and have-nots in the country" (1996, p104). Securing broadcast rights for the country's national game worked to boost Sky's subscriber base, as they had intended. By mid-1993 it had 100,000 subscribers, and had doubled that figure within two years. Sky's association with premium rugby content was furthered in 1995 when NewsCorp acquired test match television rights from the Australian, South African and New Zealand rugby unions. Annual coverage of a tri-nation test series and international provincial competition were on-sold to Sky TV in New Zealand. The unions had sold the rights to pay for player contracts as the game became professionalised. According to Hope, "the All Blacks were now corporate employees" (Hope, 2002, p236). Sky's service coverage reached limited areas around the country on the UHF frequencies, but thanks to the removal of regulations and restrictions on introducing new broadcasting technology and services, the company was able to introduce an analogue digital broadcasting service via satellite in 1997 and upgrade to a full digital service in 1998. This allowed the company to broadcast nationwide and offer subscribers an increasing roster of channels broadcasting internationally sourced content. Sky TV currently dominates the digital television market in New Zealand and operates in a pay TV monopoly. While Sky was initially founded by New Zealanders, it is now a publically traded company for whom the largest shareholder is Rupert Murdoch's NewsCorp – one of the largest transnational media conglomerates in the

world. According to one commentator NewsCorp “may be the most aggressive global trailblazer” in terms of cross-border expansion and concentrated media ownership (McChesney, 2001, p5).

Of the three major networks operating in New Zealand in 1999 one was owned by Canadians, one by Americans, while the state-owned broadcaster was being prepared for sale by a government bent on privatising all state assets. Overall, it is fair to say that media ownership in New Zealand at this time was increasingly made up of a few owners who owned multiple outlets across television and radio broadcasting, and newspaper and magazine publishing.

3.9 Conclusion

The period of neoliberal economic reform known as the 'New Zealand Experiment' affected all sectors and industries in New Zealand, including television broadcasting. From July 1984 key government figures were successful in implementing neoliberal economic policies that saw an extreme change in the purpose and structure of television broadcasting. The reforms and deregulation of the late 1980s resulted in an imbalance between the public service and commercial function of broadcasting in New Zealand. This became the 'default' or status quo policy setting over following decades.

The marked shift toward a commercial mass media environment transformed “what had been a political public sphere into a medium for commodity consumption” (Butsch, 2009, ed.). That is, commercial broadcasters are motivated by profits first and public interest second, if at all. Individuals are targeted as consumers by advertisers, rather than as citizens and participants in the democratic process. While state control restricted the public sphere through government censorship and an

authoritarian mode of address, corporate interests affect the public sphere by restricting access to non-commercial content. This is a consequence of focusing primarily on commercial content for profit, and means the opportunity costs incurred by broadcasting non-commercial content are not sustainable in a highly competitive and unregulated environment. The anti-regulatory stance established in the late 1980s is still in place, and New Zealand remains one of the least regulated broadcasting markets in the developed world. One of the rhetorical devices used by proponents of free markets and neoliberalism is to imply that a free market environment ensures that the market will serve the interests of all through the laws of supply and demand. In reality, a free market environment will inevitably lead to market failure for the public interest where some part of society (usually minority interests) is not adequately served. This means that a fully commercial broadcasting environment that is not required to adequately provide for the public interest will inevitably end up denying access to non-commercial programming and content.

The removal of restrictions on foreign ownership made it possible for transnational media conglomerates to gain a foothold in New Zealand's national market.

Eventually, all of New Zealand's private broadcasters came to be owned by overseas interests from Australia, Canada and the United States. The growth of commercial media in New Zealand throughout the 1990s provided competition for TVNZ. The state broadcaster was encouraged to compete commercially and maintain its dominance over the market, which ultimately resulted in a proliferation of highly commercial content and a decline in public service content. The market-led approach combined with extreme deregulation diluted the traditional public service objectives to inform, educate and entertain with an imbalance of programming skewing towards entertaining. With profits and audience share holding priority over

public service, New Zealand ended the twentieth century with a television broadcasting industry which was publicly unpopular. Many were concerned by the excessive commercialisation of TVNZ, visible in cheap populist programming, in the amount of advertising on screen, and in the profits returned to the government as dividends. The Labour leader, Helen Clark, denounced the “crass commercialism of TVNZ” (Norris, 2004, p20). As the country moved towards the millennium with a mostly commercial media system, the impact of neoliberalism on television broadcasting in New Zealand was keenly felt.

Chapter 4:

Third Way Politics and Public Service Priorities 1999-2008

The 1980s and 1990s saw a major ideological shift in the way the government viewed broadcasting. The period 1999 to 2008 was characterised by technological advancement, media convergence, and an attempt to reconcile public service and neoliberal ideals. It is during this time that a growing convergence between telecommunications, information technology (IT), broadcast media, and other communication networks formed what became known as the ICT (information communications technology) sector. The growth of this sector is synonymous with the emergence of an ultra-competitive digital era which resulted in a significant change in consumer behaviour and has forced traditional media to reconsider its structure and business models. Many organisations have responded by diversifying their offerings and moving into the digital market, as well as acquiring assets in multiple media industries. With the increasing reach and popularity of the internet, a new networked form of communication took hold during the first decade of the millennium. The resulting media environment differs markedly from the linear broadcasting model. The changes in the New Zealand media environment during this time reflect those happening on a global level, however, due to variables such as population size, geography and government policy, the New Zealand experience is also unique.

4.1 A Shift in Focus: New Millennium Broadcasting Reforms

After almost a decade of neoliberal policies, broadcasting in New Zealand could be described, except for national public radio, as intensely commercially-driven.

Government removal of any regulations that may have pertained to public service responsibilities produced a policy course where content was determined through commercial demand. Cross and Henderson present the increase in minutes per hour of advertising on TVNZ channels as evidence of this. They describe the impact of commercialisation on news and current affairs reporting as “dumbing down the news” and fuelling a trend towards “sensationalism, personalisation or trivialisation of news and comment on public affairs” (2004, p149). Research conducted by Comrie suggests that commercialism made news segments shorter, rendering them ‘sound bites’. She concludes that commercial pressures made the news more watchable for viewers, though this may have reduced the level of depth and seriousness in the coverage (Comrie, 1999).

With the freedom to broadcast only commercially attractive content, TVNZ dominated the domestic market despite competition from privately operated channels. Over \$200 million in dividends was returned to the Crown between 1989 and 1999 (Thompson, 2004). The downside of the purely commercial market (not just in the broadcasting sector, but overall) was that social objectives and cultural initiatives which were not commercially attractive were neglected. New Zealanders were unhappy with falling quality standards for content, the amount of advertising on television, and the lack of public service principles at the state-owned broadcaster (Comrie and Fountaine, 2005). In 1999, after nine years of National-led

governments, Labour was elected to power via a coalition with the Alliance party and the Greens. The fifth Labour government, led by Prime Minister Helen Clark, is often described as having taken a 'Third Way' approach to policy-making during its time in power (Skilling, 2005, p20). This paradigm was promoted by centre-left politicians internationally throughout the 1990s in response to declining confidence in Keynesian social democratic policies and a corresponding rise in acceptance of neoliberal economic thinking. It is an approach that is touted as a synthesis of social democratic ideals and the economic benefits of neoliberalism. The goal is to remain competitive in the face of globalisation yet promote an egalitarian society that is achieved through the redistribution of opportunity rather than income. The emphasis of Third Way policies is government involvement not intervention, and can be seen as a middle ground between the strongly interventionist approach promoted in New Zealand pre-1980s (the First Way) and the extreme free-market neoliberalism practiced during the 1980s and 1990s (the Second Way). It avoids the traditional antagonism between left and right-wing economic perspectives, instead looking towards a partnership between the two. Giddens has articulated one of the major tropes of 'Third Way' political thought as being the reconciliation of a dynamic economy and a cohesive society (Giddens, as cited in Skilling, 2005, p20). Upon election New Zealand's fifth Labour government launched a series of reforms that aimed to stimulate the cultural and creative industries that had been neglected during the period of extreme neoliberal policies in an attempt to redress the disparity of priorities between social and economic objectives. Skilling's analysis of political discourse from the fifth Labour government highlights the use of "a language of partnership" where Labour "urged New Zealanders to see themselves as united in the shared pursuit of global economic competitiveness" (2010, p51).

From 1996 and during the 1999 election campaign Labour opposition leader Helen Clark often criticised the level of commercialisation at TVNZ. Upon election Clark and the Labour government set out to redress the overemphasis on commercial objectives that had characterised the 1990s. In mid-2000 she unveiled a “cultural recovery package” designed to stimulate the arts and creative industries. This included \$22million for a Film Production Fund to help finance work by local film makers, and a one-off payment to New Zealand on Air (NZOA) of \$27.9million in the 2000-2001 financial year with an extra \$7million pledged for subsequent years (Edwards, 2005). Other institutions to benefit from the package included the New Zealand Symphony Orchestra, Te Papa, and the Royal New Zealand Ballet. The state broadcaster was positioned so that it played a central role in the government’s plans for growing the ‘knowledge economy’ (Comrie and Fountaine, 2005). This repositioning was designed to reflect the government’s attempt to reconcile social and economic priorities.

In 2000 Marian Hobbs, Labour’s Minister of Broadcasting, released information that the previous National government had delayed the prospect of a TVNZ joint-venture digital service because the broadcaster was being prepared for sale. In a press release she stated that the National government had not made a decision “despite considering the proposal for some six months”, and that “TVNZ was quite obviously being readied for sale and the accent was on making money rather than providing a service for the people” (Hobbs, 2000). This accusation served to distance the new Labour-led government from the neoliberal policies of the 1990s. This created the impression that the fifth Labour government viewed TVNZ and broadcasting generally as a public service rather than a commercial entity.

The digital service proposal that Hobbs was referring to was ultimately rejected by her government in 2000. The reasoning behind the rejection was that the government wanted to focus on creating a broader public policy framework for the expansion of digital television services. Allowing TVNZ to go through with the venture at that time would pre-empt this process. Clark made it clear that the government's intention was to direct TVNZ's focus towards public service, and that the development of a digital television service at that time might detract from their main objective (Clark, 2000). In 2000 the government released a series of non-commercial objectives designed to guide its broadcasting policy. The objectives included broadcasting content that represented New Zealand's uniqueness and diversity, contributing to public awareness of important issues and debates, providing for minorities, and encouraging innovation and creativity among programme makers while increasing quality and audience satisfaction (Digital Television, 2002, p4).

Providing a counter-balance to broadcasting deregulation was not going to be an easy task. Two key actions taken by the out-going National-led coalition had a large impact on the new government's broadcasting policies. Firstly, the \$110 annual licence fee that had thus far funded NZOA and the creation of local content was abolished, and secondly, responsibility for advising the Minister of Broadcasting on non-commercial aspects of broadcasting policy and NZOA was transferred to the Ministry of Culture and Development (now known as the Ministry of Culture and Heritage). This responsibility had previously lain with the Ministry of Commerce and the transfer revealed that little to no action had been taken with regard to non-commercial broadcasting policy. Comrie and Fountaine cite Martin Matthews, chief executive of the Ministry of Culture and Development, as noting that "broadcasting responsibility came to the Ministry with the resourcing of just three-quarters of a

single staff position, ‘essentially there had been no broadcasting policy as part of the mix of government interests for at least that period up to 1999’ (Comrie and Fountaine, 2005, p105). Remedying the issue of a lack of non-commercial broadcasting was the starting point for those tasked with reforming broadcasting in New Zealand. Key initiatives during the first eight years of the new millennium included the TVNZ Charter, the establishment of the Maori Television Service, and the formation of a digital television strategy which saw the creation of the country’s first non-commercial digital channels.

4.2 The TVNZ Charter: A Mixed Model Attempt

The establishment of the TVNZ Charter was a major component of the government’s broadcasting reforms. However, it should be noted that the reforms came to pass in a policy environment of competing ideologies and tension that scholars argue resulted in an undermining of the Charter’s objectives (Thompson, 2009; Comrie and Fontaine, 2005), Dunleavy has gone so far as to state that the Charter itself was “ultimately a failure” (Dunleavy, 2010, p2). The spirit behind the TVNZ Charter was well-intentioned and aspirational however its implementation generated contention and conflict, not because of the document itself, but because of the surrounding political and economic environment.

While TVNZ had performed well as a state-owned asset and delivered valuable dividends to the Crown over the previous decade, it was initially earmarked as part of Clark’s “cultural recovery” package. According to Dunleavy, Labour contrasted its position on public television with that of the National Party’s in order to “consolidate its public popularity” (Dunleavy, 2010, p3). In a government paper released by the

Ministry of Culture and Heritage (2003) the decision to intervene in the broadcasting sector after so many years was justified as follows:

The power and pervasiveness of broadcasting as a form of communication and shared experience means that broadcast media play an especially significant role in the functioning of civil society, and can either promote or undermine its core value and goods. The government has previously expressed its broad, desired outcomes for broadcasting in New Zealand in terms of such values – e.g. cultural identity and democratic citizenship, within a mixed economy

Mention of the mixed economy concept is significant for TVNZ as it was positioned by the government within a wider framework of development for the creative industries, and was expected to play a central role in driving New Zealand towards “an innovative high growth future” (Comrie and Fountaine, 2005, p106). While the broadcasting reforms promised to elevate the position of public service broadcasting in New Zealand, the mixed economy model, or ‘Third Way’ approach adopted at this time required that economic considerations remain important. The TVNZ Charter, which was given to TVNZ in 2002 and finalised in 2003 with the Television New Zealand Act 2003, was an example of the government’s civic expectations. However, it soon became clear that meeting these objectives was to be a difficult task. The model was compromised by the broadcaster’s heavily reliance on commercial revenue. It was to prove unrealistic to expect public service outcomes with a level of public funding that did not reflect the opportunity costs incurred by ceasing to broadcast totally commercially. The Television New Zealand Act restructured TVNZ from a State-Owned Enterprise into a Crown entity and its principle objective was “to give effect to its Charter while maintaining its commercial performance” (Television New Zealand Act 2003, Act, 12(2)). The dual remit of TVNZ was clearly outlined from the start but it was not clear how the impact of surrounding circumstances and

decisions would affect attempts to fulfil Charter objectives. The Charter requirements included principles pertaining to traditional public service ideals such as diversity and quality of content. Comrie and Fountaine have condensed the content of the Charter into four main themes: “the role of building community and citizenship capacity, the call for quality and integrity, the role of nurturing the creative industries and pushing creative boundaries, and the provision for a wide range of interests with a special emphasis on neglected minority interests” (2005, p110).

The Television New Zealand Act put TVNZ in the awkward position of having to meet both commercial and civic objectives. Challenges facing the broadcaster included its continued reliance on advertising revenue despite its requirement to broadcast non-commercial content, its continued financial responsibilities to the Crown, and inadequate funding to compensate for the opportunity costs associated with forgoing commercial content for non-commercial. Dunleavy describes the situation as “an insurmountable challenge whose resolution would most certainly require major public investment” (Dunleavy, 2010, p4) and yet this major public investment was not forthcoming. The challenges faced by those charged with successfully implementing the Charter at TVNZ during this time are evident not only in the expectations set out within the Television New Zealand Act, but also in a number of tensions that are revealed when considering the Charter from a political and economic standpoint. It has become clear that giving TVNZ a public service role and identity after almost a decade of functioning as a commercial broadcaster was easier said than done. Dunleavy describes the TVNZ Charter as being “too ambitious for the neoliberally transformed political and bureaucratic context onto which it was grafted” (Dunleavy, 2010, p7). This observation serves to highlight key areas of challenge during the TVNZ Charter period. Examples of these challenges and tensions are evident on

three levels: organisationally within TVNZ, financially within the government, and ideologically among government institutions and ministries with overlapping interests in the broadcasting portfolio.

The change in broadcasting policy direction revealed major tensions within TVNZ. The broadcaster had recently weathered controversy relating to the high salaries paid to its primetime newsreaders. An ill-fated attempt to replace long-serving 6 o'clock newsreader Richard Long with veteran newsreader John Hawkesby resulted in Hawkesby receiving a \$5.2 million pay out after appearing onscreen for just 24 days. The TVNZ board was held accountable for what new Prime Minister Helen Clark described as a "spectacular failure at management level" (Main, 2000, p1). This ultimately resulted in the resignation of TVNZ Chairwoman Rosanne Meo, who had been appointed by the previous government. With the Labour party having criticised the high salaries paid to TVNZ's talent during its time in Opposition, it was no surprise when the highest paid presenters received pay cuts at the end of 2001. It was within this context that the new government announced its policy direction and ultimately introduced the TVNZ Charter. The Charter itself was comprised of a series of public interest ideals, but lacked any indication of how progress would be measured. TVNZ was required to create its own quantitative and qualitative performance measures which would be included in the statement of intent within the broadcaster's annual report. Ultimately TVNZ was able to interpret and define the charter in its own way, which is significant when one considers that the internal culture at TVNZ was less than supportive of the initiative. Thompson notes that for years success at the broadcaster had been defined by getting high ratings and scooping the competition, and that there was resistance to change (2004). The broadcaster experienced a steady departure of staff during this period of change,

with eight executives resigning between April 2001 and February 2002. The Minister of Broadcasting during this time was Marian Hobbs, who Comrie and Fountaine note “faced deep hostility within TVNZ” (2005, p108). They cite comments from the former minister recalling visits to the broadcaster where staff turned their backs on her, and where she describes the staff as “scathing” and fighting “dirty” (Comrie and Fountaine, 2005, p108)). At government level, the Charter was subject to political economic restraints that resulted in a financial shortfall for the broadcaster. Pre-Charter TVNZ was fully commercial and relied heavily on advertising revenue, with its programming largely determined by ratings. Upon implementation of the Charter TVNZ was required to combine commercial and non-commercial programming, while still competing in a deregulated market with private broadcasters who had no such public interest responsibilities. While the government acknowledged that funding would be required for TVNZ to make this transition, the amount provided was inadequate, amounting to less than 5 per cent of TVNZ’s total revenue. This was not enough to offset the opportunity costs of broadcasting non-commercial or Charter related programming, especially during peak hours.

Another financial challenge to overcome was the fact that TVNZ was still expected to provide a dividend to Treasury. While the Labour-led government was working towards counteracting neoliberal extremism, this ideology still dominated key government institutions including Treasury and the Ministry of Economic Development. Thompson notes that “ministerial bureaucrats and accountants ensured the fiscal considerations would be accommodated in public service initiatives” (2004, p62). This resulted in Treasury being reluctant to cut off the cash flow from TVNZ dividends which had proved profitable over the years. Ultimately, TVNZ was not provided adequate funding to cover the shortfall in profit or given

permission to operate at a loss, or operate with key performance indicators that were not linked to commercial success. It was expected to continue to be commercially successful and return an annual dividend as well as fulfil its new public service responsibilities. The dividend expected from TVNZ was greater than the amount of funding the government had provided to cover the costs relating to Charter programming. In effect it was a funding merry-go-round, with the government providing funding to TVNZ who then paid a dividend to Treasury. Another example of neoliberal ideological influence concerns the Ministry of Economic Development's decision not to regulate Sky's set-top box decoder as the company moved into the digital pay TV market. Thompson points out that this "effectively gave the seal of approval to [Sky's] continuing monopoly [over the pay TV market] without extracting any binding 'common carrier' agreement in return" (2004, p62). Decisions like these made by Treasury, the Minister of Economic Development and those involved with the Communications portfolio had a direct effect on the Broadcasting portfolio. It was thus difficult for the Minister of Broadcasting to create a successful model for public broadcasting given the institutional and policy making environment.

4.3 Maori Television Service: A Second State-Owned Broadcaster

The launch of the Maori Television Service (MTS) in 2004 came about as a result of a Crown commitment to promoting Te Reo Maori (the Maori language) under its Treaty of Waitangi obligations. Announced in 2001, MTS is a statutory corporation that operates with government funding channelled through Te Mangai Paho, the Maori Broadcasting Funding Agency. MTS was formally established in 2003 with the passing of the Maori Television Act 2003 and was tasked with revitalising Maori language and culture. The principle function of the service, as cited in the 2003 Broadcasting Stocktake, was "to promote Maori language and culture through the

provision of a high quality, cost-effective Maori television service, in both Maori and English, that informs, educates, and entertains a broad viewing audience, and in doing so, enriches New Zealand's society, culture and heritage" (Ministry of Culture and Heritage, 2003). Maori broadcasting in New Zealand has not been smooth sailing with the Auckland-based Aotearoa Television Network collapsing in 1997 after allegations of misspending by its directors. There was a shaky start for MTS in 2002 after the first head of the service, Canadian new-comer John Davy, was fired for serious misconduct less than two months after being appointed. Media inquiries revealed that the academic and professional qualifications claimed on his CV were fraudulent, including an MBA from a fictitious US university. The service was allocated a total of \$176.8 million in funding over its first four years of existence and, with continued government funding, has managed to produce a high proportion of local content as well as successfully launch a second channel in 2008, Te Reo. This channel is dedicated to broadcasting solely Maori language content without subtitles or advertising.

4.4 Political Economy of the Changing Media-scape

The trend of foreign ownership across New Zealand's wider media environment was cemented during this time, with transnational corporations dominating all media sectors. In the broadcasting industry all private networks were owned by offshore corporations. TV3 and C4, TVNZs main free-to-air competitors, were owned by Canadian company CanWest, though it was renamed MediaWorks New Zealand after the company decided to transfer ownership to the 'new' company in 2004 in order to float its New Zealand assets. Of these CanWest owned seventy per cent with the other thirty per cent placed on the New Zealand share market. This arrangement was short lived, however, and in June 2007 CanWest sold its shares to

Ironbridge Capital, an Australian private equity company. While a full takeover of the business was resisted by smaller shareholders, eventually Ironbridge was able to gain one hundred per cent ownership of MediaWorks New Zealand (Rosenberg, 2008).

From a historical perspective it is clear that broadcasting at this time was affected by significant developments within the ICT and telecommunications sector. These developments shaped consumer behaviour and expectations. General technological advances along with the popularity and availability of mobile devices meant that broadcasting was no longer the standalone linear process that it once was. Also of note was the trend toward cross media ownership concentration in the broadcasting sector involving pay-tv operator Sky TV and its acquisition of Australian-owned free-to-air channel Prime TV in 2006. Prime had failed to make a profit in the New Zealand market while under the ownership of Prime Television Limited. In 2001 Prime agreed to a five year joint-venture deal with Kerry Packer's Publishing and Broadcasting Ltd (PBL). In the deal, PBL's Australian Nine Network would provide programming and Packer-owned publisher ACP would provide advertising and promotion. In return PBL was to be given the option to buy a majority shareholding in the Prime New Zealand network at the end of the contract (Rosenberg, 2008). In February 2006, however, Prime TV was acquired by Sky TV for \$30.26 million.

The acquisition of Prime by Sky TV meant the pay-tv broadcaster now had a free-to-air channel offering, a move that both TVNZ and MediaWorks attempted to block by appealing to the Commerce Commission. For Sky this was a period of major expansion once they had been directly acquired by Rupert Murdoch's NewsCorp. Independent Newspapers Limited, itself a part of Murdoch's media stable, had previously been a major shareholder. In 2001 INL owned just under half of Sky TV

and founder Craig Heatley resigned as Chair of the Sky TV board to be replaced by NewsCorp executive Tom Mockridge. In a similar move NewsCorp appointed Ken Cowley Chair of the board of INL (Howie, 2001). After selling its New Zealand publishing assets to Australia-based Fairfax Media in 2003 INL, which by this time had a sixty six per cent stake in Sky, made a bid to buy all remaining shares. Fellow shareholder Telecom immediately accepted the offer and sold its twelve per cent stake, leaving INL with a seventy eight per cent ownership of Sky. INL was still short of the ninety per cent ownership required to trigger a compulsory purchase of the remaining shares, so it was announced in 2004 that INL and Sky would merge to form one company. A company, named Newco, was created to acquire the assets of INL and Sky and then renamed Sky Network Television (Steeman, 2004). Before the merger was complete NewsCorp, which at the time held a forty four per cent share of INL, bought Telecom's twelve per cent stake in INL after it was approved by shareholders. This effectively increased NewsCorp's shareholding in the newly merged Newco (Sky) to forty four per cent (NZ Herald, 2005).

Having launched its digital pay-tv service in the late 1990s, Sky gained an increasing number of subscribers which would eventually see the private broadcaster become a dominant force in the broadcasting market. By November 2001 Sky had amassed 440,000 subscribers, of which 290,000 were digital customers. By 2003 the company had made its first profit, and in 2005 launched the first of its own brand of digital video recorders (Rosenberg, 2008). The recorder, called MySky, consisted of an upgraded version of Sky's set top box. This allowed viewers to pause and rewind live television, to record two channels while watching a third, and to access a range of programme planning services including an updated onscreen programme guide and the ability to 'series link' programmes. This allowed Sky to build its dominance over

the DVR (digital video recorder) market, and by 2009 when TVNZ invested in Australian-based Hybrid TV to introduce the similarly capable TiVo device to New Zealand, the resulting launch was widely unsuccessful. TVNZ was eventually forced to write off the investment as a loss. This period also saw the arrival of broadband internet with wireless connection technology. This would allow consumers to comfortably browse audio-visual content online as opposed to purely text-based content as was usual with dial-up connections. It was clear that more New Zealanders were going online - the 2007 Nielsen Broadband Report states that in 2006 eighty six per cent of New Zealanders aged 10+ had access to the internet, and twenty four per cent had a broadband connection at home. Traditional media outlets such as the NZ Herald (nzherald.co.nz) and TVNZ (tvnzondemand.co.nz) launched online presences. The emergence of the digital age included the launch next generation 3G mobile networks that allowed mobile devices to function on a network that provided the speed and capability required to browse the internet. This boosted the popularity of mobile devices such as personal organisers and smartphones with broadband capabilities. Sky's 2006 announcement that it would provide a mobile TV service in conjunction with Vodafone's 3G network allowed consumers increased flexibility in their media choices. Other agreements between broadcasters and telecommunications providers during this time include a 2003 deal between Sky and Telecom to bundle Sky TV with Telecom's telephone service, and an ill-fated digital television deal between TVNZ and TelstraSaturn in 2001. New Zealand was slow to develop broadband due in part to a monopoly held by Telecom whose service at the time was characterised by slow speeds and data caps for internet users. The government in 2006 required Telecom to 'unbundle the local loop', essentially allowing other companies to fully compete with Telecom in the

provision of broadband. The move was aimed at increasing the broadband uptake rate, as well as making cost and data limits subject to competition. The government recognised high speed broadband as necessity to New Zealand's economic growth, and as such began to develop a digital strategy.

4.5 The Digital Broadcasting Strategy: Sky vs. Freeview

Between 2000 and 2008 the government began the transition from analogue to digital broadcasting in New Zealand. Having decided on a set of objectives to guide its broadcasting policy in 2000, discussions took place in relation to the development of digital television platforms. A December 2001 discussion document released by the Ministry of Economic Development was signed by the Minister of Communications and the Minister of Broadcasting, Paul Swain and Marian Hobbs respectively. They acknowledged that the government had not yet developed a firm view on the role it should have in relation to digital television. However, the document stated that "While this is not a matter of the utmost urgency, it is important for some key decisions to be made in the near future" (Ministry of Economic Development, 2001). It was generally accepted that digital television would inevitably replace analogue; plans for developing processes, roles, and platforms were made, and services were launched. Cabinet papers from 2002 frame the central issue as being "what steps, if any, the Government needs to take to encourage further uptake of digital television, including digital terrestrial television" (Maharey & Swain, 2002). Ultimately the government backed an industry-led group made up of a consortium of free-to-air broadcasters to launch a digital television platform, as well as two non-commercial digital only TVNZ channels. These digital-only channels would provide a content incentive for viewers to support the new platform, named Freeview.

At the start of the millennium Sky Television's 'Sky Digital' satellite platform had no competition (TelstraClear offered a limited cable service for Sky content during this time but it was available only to subscribers in Wellington and Christchurch). Sky had been able to establish a dominant role in the digital broadcasting environment, partly due to the lack of a clear position from the government concerning broadcasting regulation. Launched in 1998, Sky Digital had already gained thirty per cent household penetration four years later (Maharey & Swain, 2002). TVNZ had the capability to transmit via satellite however this was not an advertised service and was only used to broadcast unencrypted regional versions of its channel content to reach those who could not receive television via analogue terrestrial transmissions. Sky had obtained agreements from all other television broadcasters to transmit free-to-air content through its platform (Watkins, 2001). TVNZ's agreement stipulated that TV One, TV2 and Radio NZ content would be available on the Sky Digital platform in an unencrypted format. Sky uses a 'conditional access' system that allows it to control which programmes its set-top box can decode, as well as making sure that other 'non-Sky brand' set-top boxes cannot be used to receive its transmissions. The other free-to-air channels broadcast on Sky's digital platform (TV3, TV4, Prime and Trackside) were all broadcast in encrypted form. Officials responsible for compiling reports on the subject noted the understanding "that Sky offers broadcasters a significant cost benefit if the broadcaster's services will be encrypted when distributed using Sky's satellite capacity" (Maharey & Cunliffe, 2003, p2). Essentially this meant that TVNZ content transmitted via satellite could be received via any suitably capable set-top box, while the other free-to-air channels broadcast via Sky's digital platform were only available through set-top boxes supplied by Sky. These set-top boxes are not available for purchase, rather they must be 'rented' from the

company for a monthly fee. This was one of the issues noted in Cabinet papers from the time (Maharey & Cunliffe, 2003):

There may be good arguments for the proposition that content funded by government should be made available to as many New Zealanders as possible, and this cannot be achieved if that material is encrypted through a pay-tv platform... where content is publicly funded, it should continue to be available free to air. (p3)

While it was acknowledged that Sky TV's monopoly over digital television had resulted in some New Zealanders paying for the ability to view free-to-air content, the Government initially decided to take a 'hands-off' approach. Discussion papers and policy committee papers published in 2001 and 2002 explored government options. They also contained recommendations on how to proceed in relation to the development of digital television. The papers published in 2002 recommended that the government would facilitate, rather than lead, the development process for digital television, as had been the case in Australia and the United Kingdom. Broadcasters and viewers would be left to make decisions relating to the choice of platform (satellite, terrestrial or cable) on the basis of factors such as cost, content, and reliability. No regulatory changes were deemed necessary at this time, and no specific analogue transmission 'switch off' date was set. The reports asked officials to report back within a year on a series of issues relating to digital broadcasting. These included the implications for public broadcasting, spectrum allocation for digital terrestrial television and spectrum maintenance for digital satellite television, platforms and standards for digital television, and maintaining analogue transmission in remote areas. The contents of these reports, published in August 2003, noted that digital television had the potential to contribute to the enhancement of the government's broadcasting objectives by providing new forms of content and access.

It was acknowledged that the viability of the state-owned broadcasters was reliant on their ability to lead the market in the provision of digital content (Maharey, 2003a).

Key decisions made as a result of these reports included: the government direction of state-owned broadcasters to prepare plans for digital services; a commitment from officials to maintain free-to-air status for publicly funded content; the governments invitation for industry to establish a development group to plan and promote the digital roll-out in order to obtain “broad industry consensus” (Maharey, 2003b). Additionally, spectrum licence-holders would be able to convert their existing analogue licences into digital terrestrial television-suitable ones.

The Broadcasting in New Zealand Stocktake, published in 2003, acknowledges funding, delivery mechanisms, regulation, and technology as key factors that must be addressed “to ensure that the broadcasting environment is capable of supporting an effective and sustainable mixed broadcasting sector” (Ministry of Culture and Heritage, 2003). In 2005 the government renewed its commitment to public broadcasting by publishing a five-year Programme of Action entitled “Building a Strong and Sustainable Public Broadcasting Environment for New Zealand”. The document sought to “future-proof a balanced mix of public and commercial broadcasting in New Zealand,” and illustrated the government’s vision for New Zealand broadcasting – a shared space, informing and enriching a changing society (Ministry of Culture and Heritage, 2005). The Programme of Action contained a set of goals; these were to strengthen public broadcasting as a key element in the broadcasting ‘mixed economy,’ maintain a healthy private broadcasting and production sector, and to provide a foundation for community and regional broadcasting. It also contained a set of principles, which were to guide government intervention in broadcasting to ensure public interest and achieve the Government’s

stated vision. In order to give effect to these principles (identified as universality, diversity, independence, and quality), a series of priorities were outlined to be achieved between 2004 and 2009. These priorities were accompanied by proposed action(s) to be carried out over the five year period. They were defined as: achieving adequacy and certainty of public funding for broadcasting, strengthening public broadcasting, facilitating the successful development of digital broadcasting services, enhancing regional and community broadcasting, enhancing independence and responsibility in broadcasting, and enhancing the incentives for producing higher-quality content and schedules. The proposed action for digital broadcasting included encouraging its development through government-and-industry working groups, working to address key issues, and enabling public broadcasters to “take a leading role in providing digital services and set standards of digital programming in accordance with their public broadcasting mandates” (Ministry of Culture and Heritage, 2005). This top level plan was followed up in December 2006 with the Digital Television Strategy, a document which identified recent and soon to be developed strategic actions in relation to digital television. These actions were grouped under the headings of Universality, Ownership Interests, National Identity, Transformation, Analogue Switch-Off, and Competition and Consumer Interests. The document considered government support for Freeview and its hybrid satellite-terrestrial transmission platform to ensure free-to-air services for all New Zealanders, TVNZ’s two new digital channels, plans for spectrum allocation and the simulcasting of analogue and digital services over the course of the transition period. Also covered was local content, the maintenance of public service broadcasting on free-to-air television, and the amendment of the Broadcasting Act 1989 to allow NZOA and Te Mangai Paho to support digital content and services. Additionally, a review of

regulation would be undertaken in the context of technology convergence, and the overlapping provision of audio-visual content. While the strategic plan for digital television was published in December 2006, the Government had announced support for the Freeview platform and the digital television roll-out earlier that year. Organised by a consortium of free-to-air broadcasters including TVNZ, CanWest MediaWorks (NZ) Ltd, Maori TV, Radio New Zealand, and the New Zealand Racing Board, Freeview was the name of the digital broadcasting platform chosen to begin the 'switch-over' process from analogue to digital broadcasting. Freeview has a presence in other countries including the United Kingdom and Australia, though the mix of technology, marketing and services differs from market to market (Given and Norris, 2010). As part of the government's commitment to fostering the development of a free-to-air digital service it was announced in June 2006 that up to \$25million would be spent developing Freeview over a 5 year period (Maharey, 2006a). A further announcement in November 2006 committed to providing \$79million over 6 years for the development of two new non-commercial Freeview channels for TVNZ. (Maharey, 2006b). An independent study by Spectrum Strategy Consultants had indicated there would be a financial benefit of around \$230million for New Zealand from the launch of digital television (referred to as the 'digital dividend'), but only if the transition was completed within a certain time frame that ensured simulcasting did not stretch on for too long (Spectrum Strategy Consultants, 2006). This study reinforced the government's resolve to begin the transition process. The Minister of Broadcasting stated that "the issue is now not whether to go digital, but whether we are getting there soon enough" (Maharey, 2006a).

From the government's perspective the creation of two new channels for TVNZ fit with the goal of implementing the switch-over to digital television, while from TVNZ's

perspective the new channels had more to do with maintaining its commercially successful position in the market (Dunleavy, 2010). Dunleavy notes a 2005 memo sent to the TVNZ Board from then-CEO Ian Fraser that was leaked to the media which admitted a “major commercial problem with TV One” (2010). The local content push that had been planned was being abandoned due to insufficient funding; instead of endeavouring to fulfil the Charter objectives TVNZ was now focusing on protecting its “channel shares from competitive erosion” (Dunleavy 2010). This resulted in Charter programmes being moved from prime time to less commercially sensitive timeslots or else being totally abandoned. The establishment of the non-commercial digital channels meant that Charter content could be broadcast on channels that were not linked to TVNZs revenue gathering process.

In 2007 TVNZ began a five-year strategic plan with the slogan “Inspiring New Zealanders on Every Screen” to cement its digital presence. The plan included investing in infrastructure and partnering with key stakeholders in order to provide a diversified service to be accessible on a variety of ‘screens’ including television, personal computer, and mobile. The online service TVNZ OnDemand was launched in March 2007, and the new non-commercial digital channels TVNZ 6 and TVNZ 7 were launched on 30 September 2007 and 30 March 2008 respectively. TVNZ 6 was a designated family channel which was to broadcast children’s content during the day under the TVNZ Kidzone service. The TVNZ Family and TVNZ Showcase services would broadcast later in the evening, while TVNZ 7 was designated as an information-based channel to screen hourly news updates as well as documentaries and current affairs programmes. In years to come the future of these digital channels and the future of public broadcasting in general would become precarious.

4.6 Conclusion

The period 1999 to 2008 saw the election of a centre-left government after a decade of neoliberal policies that had resulted in the commercialisation of the broadcasting environment in New Zealand. The fifth Labour government espoused a return to social democratic principles through the implementation of 'Third Way' policies, however there was a disconnect between government rhetoric and actual policies.

In this environment public service broadcasting was touted as an important part of the broadcasting market, yet instead of establishing a public service provider free from commercial imperatives the government imbued the state-owned commercial broadcaster with public service objectives. Its purpose was to fill the content gaps left by ratings driven television. The underlying influence of the commercialised media and television environment upon public service provision was not addressed. A shallow critique was undertaken whereby public service broadcasting was assumed to be a secondary priority in relation to commercial broadcasting. Labour's claim that it would "future-proof a balanced mix of public and commercial broadcasting in New Zealand" was not borne out in practice (Ministry of Culture and Heritage, 2005). The balance between the rights of commercial broadcasters and the rights of citizens to have access to public service content within the public sphere remained skewed toward the former. Labour's Third Way paradigm sought to fit public service broadcasting into the gaps left after commercial market imperatives had been accommodated, thus reinforcing the normative assumption that public service broadcasting must justify its role in the market (or that it is only appropriate as an 'add-on' to the neoliberal market model currently in place). Labour's reluctance to regulate the market as a whole meant the commitment to public service broadcasting was largely an exercise in futility. While TVNZ was the focus of changes with respect

to public service initiatives, privately owned broadcasters were able to maintain their commercial focus unimpeded by regulation. Sky TV was able to expand its dominance over the broadcasting market and not just in the pay-tv sector where its monopoly was maintained. With a growing digital subscriber base the pay-tv broadcaster could outbid free-to-air networks when buying broadcast rights to premium content such as sport. The purchase of a free-to-air channel, Prime TV, gave Sky a presence in both pay-tv and free-to-air markets. The company also offered own-brand digital personal video recorders and time shifted viewing services in its MySky set top box. Looking forward, Sky began to investigate the provision of mobile and online services.

While Sky was the country's sole provider of digital services, the Minister of Broadcasting Steve Maharey described the launch of the Freeview digital platform as the biggest move in broadcasting since the introduction of colour television. The start of the digital era opened up opportunities for the regeneration of public sphere broadcasting principles. Digital broadcasting allows for significantly more channels than analogue did, meaning that with sufficient planning and support channels based on public service ideals and values could be established and maintained. Two such channels were launched into the digital market in 2007 and 2008, meaning New Zealand finally had non-commercial nationally broadcast television. While there has been a proliferation of digital television channels (both free-to-air and pay-tv) as well as online offerings from traditional media and new media, there has not been a corresponding growth in advertising revenue. This heightens the competition for advertising revenue and reinforces the imperative to monetise digital offerings. Consequently, the opportunity costs incurred by providing public service content are higher than ever. Public service broadcasting was given a chance during the Labour

government's three terms in office with \$79million in funding (albeit at a comparatively low level compared to overseas). This enabled the state broadcaster to encourage non-commercial content through its digital channels. This funding, however, was underpinned by a commercial requirement that New Zealanders needed to support Freeview by buying the set top boxes. As well as being public service providers, the new channels were established to support the Freeview platform.

The attempt to find a balance between public sphere principles and commercial imperative during this time was superficial. By ignoring the commercial predominance of the broadcasting market model, the fifth Labour government failed to entrench public sphere principles in the television broadcasting sector. The initiatives that were taken in regard to analogue and digital channels on TVNZ were quickly reversed by the fifth National government elected in late-2008.

Chapter 5:

Re-Commercialising Broadcasting 2008-2012

In late 2008, as New Zealand entered a new era of digital broadcasting, a National-led government came to power. While Labour's broadcasting policy had been based on a 'Third Way' acknowledgement that public service broadcasting was socially necessary, the fifth National government considered it a 'nice to have.' Focus shifted from funding the public service obligations of a broadcasting institution (TVNZ) by maintain a funding pod for content (administered by NZOA), to making the total available funds fully contestable for all broadcasters. National's 'platform neutral' reasoning was that in the digital age content could be carried by multiple media platforms, and funding should therefore focus on creating content rather than on the operational costs of a public service broadcaster. Consequently, any public service initiatives implemented by the fifth Labour government were abandoned on the assumption that in a commercial media market funding content alone would suffice. The downgrading of public service broadcasting had serious consequences for the state broadcaster and its newly launched channels. The television market eventually reverted to a fully commercial and competitive state with profit as the primary objective for all national broadcasters, except Maori Television, This was protected by its cultural mandate and the Treaty of Waitangi Privy Council ruling in relation to broadcasting.

As the fifth Labour government neared the end of its third consecutive term in office, a number of initiatives designed to balance the principles of commercial and public service broadcasting had been established. As well as establishing a public service remit for state owned broadcaster TVNZ and undertaking a switch-over from analogue to digital broadcasting, the government was looking at the supra-regulation of terrestrial broadcasting, digital broadcasting, and other sectors such as telecommunications and the internet. These sectors were becoming digitally convergent thanks to the growth of mobile technology and new media platforms. At the beginning of 2008 the Digital Broadcasting Review of Regulation discussion paper was released with a call for public submissions on its content. Planned since 2006 and initiated by the Ministry of Culture and Heritage and the Ministry of Economic Development, the regulatory review considered the following issues: regulatory structures across different media types, convergence and technical standards, spectrum allocation, analogue switch-off, distribution or access systems and network development, diversity and plurality, standards of content, public service and local content provisions, funding or investment, public media literacy and a range of other related matters (Thompson, 2009).

Minister of Broadcasting Trevor Mallard described the review as 'timely' (Mallard, 2008). Developments linked to broadcasting were increasingly spanning sectors that had traditionally been regulated separately, such as television, film, telecommunications and online. Thompson suggests that the review was "intended to inform the development of broadcasting policy in a digital multimedia environment and entailed a substantial re-examination of regulatory principles and institutional arrangements across the media sector" (Thompson, 2009).

5.1 The Erasure of Public Service Broadcasting

Shortly after coming to power the National-led government announced in April 2009 that the review of regulations would be discontinued. The newly appointed Minister of Broadcasting, Dr Jonathan Coleman, and Minister of Communication and Information Technology, Steven Joyce, issued a joint statement stating that the “Ministers noted that some useful information emerged from the research and submissions process, but have agreed that the review, as a whole, goes beyond the priorities set out in pre-election broadcasting commitments and the new Government’s subsequent policy announcements” (Joyce and Coleman, 2009). Essentially, the review was grouped in with other recent broadcasting initiatives as being part of ‘Labour’s policy’. This meant that when National’s Ministers inherited the Broadcasting and Communication and Information Technology portfolios, both of which were in the midst of completing the review of regulation, they were able to reject the undertaking as being inconsistent with the policy direction National intended to pursue. It seems that this decision was one made soon after, or even before, the National government came to power. In fact, shortly after the November 2008 election, instead of continuing with a planned study to review market competition (for which funding had already been allocated) the Ministry of Culture and Heritage and the Ministry of Economic Development were directed instead to produce the reviews using evidence from more recent public submissions. These had been collected after the early 2008 release of the review’s discussion paper. These reviews were mentioned in the Ministers’ April 2009 press release, which contained the following statement in reference to them (Joyce & Coleman, 2009):

A departmental analysis of submissions made during the review process concluded that the current market appears workably competitive and that there are no compelling indications of future issues. It is also noted that there is currently no strong case for the introduction of specific new regulation for the broadcasting sector.

This statement implies the ministries of Culture and Heritage and Economic Development had no concerns about market competition in New Zealand. Yet based on an analysis by Thompson of the reports produced by the Ministry of Culture and Heritage and the Ministry of Economic Development there was a discrepancy between statements from the Ministers and the actual content of the reports. Thompson has identified “two discrete (and in places, contradictory) sets of policy thinking presented alongside each other and throughout the report there are separate, parallel perspectives attributed to the respective Ministries” (Thompson, 2009). The first approach favoured by the Ministry of Culture and Heritage, argues for a widening of the definition of the Telecommunications Act 2001 to include broadcasting, as well as the creation of a Communications Commissioner to undertake an extended review of market competition. The Commissioner would have the power to regulate specific services or facilities conditional upon agreement from relevant Ministers. The second laissez-faire approach, favoured by the Ministry of Economic Development, simply entailed the release of a statement concerning the Government’s commitment to maintaining a competitive and diversified broadcasting market. It seems that the second approach was chosen, although no mention of the first was made in the Ministers’ subsequent press release. Thompson concludes that the Ministers’ joint statement “was intended to discourage further interest or debate” and describes National as “being ideologically selective in its presentation of the facts” (Thompson, 2009).

Later that same month, after announcing the discontinuation of the planned Review of Regulation, it was announced that funding for the TVNZ Charter, previously allocated directly to TVNZ (to subsidise the opportunity costs incurred by

broadcasting non-commercial content) would instead be used to create a contestable Platinum Television Fund for local content. Valued at \$15.1million, the fund would be administered by New Zealand On Air with the intention of creating content which “may currently be difficult to find on our screens and which requires a high level of subsidy to be made” (Coleman, 2009). The Minister of Broadcasting, Dr Jonathan Coleman, framed the move as the government “delivering on its promises.” He maintained that National had campaigned on a commitment to provide fully contestable funding for all free-to-air broadcasters. Instead of supporting an individual broadcaster to provide public service content, National’s ‘platform neutral’ policy reshuffled already allocated funding to support broadcasting. It was hoped that “by encouraging competition for quality, the contestable Platinum Television Fund will ensure the best ideas get supported regardless of which channel broadcasts them” (Coleman, 2009). However, NZOA’s funding allocation criteria included those pertaining to value for money and likely size of target audience as major factors in the consideration of whether a proposal would receive funding. This requirement was reinforced by comments from the Minister of Broadcasting, who stated that NZ On Air had developed criteria for the Platinum Fund “with the focus on high quality public broadcast content of *wide appeal*” (Coleman, 2009) (emphasis mine). Content producers also had to provide evidence that a channel had agreed to broadcast the programme. This requirement reveals the limitations of funding content alone. By requiring an agreement from a broadcaster in order to receive funding, content proposals are exposed to the very commercial pressures and influence that made the fund necessary in the first place.

The TVNZ Charter was officially repealed in July 2011. The TVNZ Act 2003 was amended to be “in line with this Government’s wish to replace the current TVNZ

charter with a less prescriptive list of functions and to leave TVNZ to concentrate on being a successful television broadcaster without the shackles of an unrealistic dual mandate” (Coleman, 2011). TVNZ is now defined in the Television New Zealand Amendment Act 2011 as being a “successful national television and digital media company providing a range of content and services on a choice of delivery platforms and maintaining its commercial performance.” In carrying out these functions TVNZ is required to deliver content that “is relevant to, and enjoyed and valued by New Zealand audiences; and encompasses both New Zealand and international content and reflects Maori perspectives” (TVNZ Amendment Bill 2011).

During the early years of National’s first term in office TVNZ’s non-commercial digital channels were largely left alone as their funding had been guaranteed over a five year period. However TVNZ requested an early end to the funding period for TVNZ6 so the channel could be rebranded into a commercial offering. In an announcement in December 2010 TVNZ confirmed that TVNZ 6 would cease broadcasting in March 2011 and be replaced by a digital youth-based channel. The children’s programming from TVNZ6 was ‘merged’ into TVNZ7, resulting in just one non-commercial channel that would continue broadcasting at least until the remainder of funding ran out in mid-2012. Two hours of children’s programming per day from TVNZ 6’s schedule was incorporated into TVNZ 7’s schedule, and a commercial youth-oriented channel was launched on TVNZ 6’s former frequency (Smith, 2011). The channel, ‘U’, launched on both the Freeview and Sky platforms, has a heavy focus on interactivity (through social media sites). Its schedule is mostly comprised of cheap reality entertainment programming sourced from the United States and United Kingdom. Questions were also raised about the position of TVNZ7 at the conclusion of its funding period. Minister of Broadcasting Jonathan Coleman, at an industry

conference, indicated that he would like to see one public broadcasting channel continue “in some form” but also stated that that no further money would be allocated and that the only option for extending the public funding would be to redistribute the funds already being spent on broadcasting (Norris, 2010). For a while it seemed that the non-commercial channels might be able to survive despite the government’s disinclination to allocate any further money towards their upkeep. In March 2010 media reports stated that the Broadcasting Minister Jonathan Coleman had written to TVNZ requesting that the broadcaster plan a ‘demarcation’ between its commercial and public broadcasting roles (Small, 2010). This indicated that he saw a future for the channels. However, with the announcement of TVNZ 6’s cancellation later that year, fresh concerns were raised about the last remaining public service channel. Suggestions were made as to how public service broadcasting could be ‘saved’. Options included creating a public service media company made up of TVNZ 7 and Radio NZ, reallocating the Platinum Fund toward the running of a public service channel, and investing money back into broadcasting from the expected digital dividend (Coleman eyed TVNZ for the long haul, 2011). In the end none of these suggestions were taken up by the government; media reports suggesting that TVNZ would cancel the channels if further taxpayer funding was not forthcoming proved correct. (Media: public service television all but gone, 2011). In April 2011 it was confirmed that no further government funding would be provided to keep TVNZ 7 on the air. The decision was roundly criticised as around this time it was revealed that the Government had agreed to extend a loan to MediaWorks, a foreign-owned commercial broadcaster, despite a warning from the Ministry of Economic Development that the deal would carry a financial risk for the government (Govt lends MediaWorks \$43m against advice, 2011).

Adding to insult to injury, independent public service channel Stratos, run by CEO Jim Blackman from Auckland-based regional broadcaster Triangle Television, was forced off air in December 2011. Stratos faced financial difficulties relating to digital switchover transmission costs from state-owned transmission company Kordia. The four year-old privately owned channel had provided a mixture of public service content including English-language news from alternative networks such as Al Jazeera and programming for ethnic minorities. Stratos received no government funding and worked with an operational budget of \$1.25 million. Despite a 'Save TVNZ7' lobby group being set up and widespread criticism of the government's stance from media commentators, academics and opposition MPs, no resolution was found to keep the non-commercial channel on air. The re-commercialisation of the broadcasting environment was completed in July 2012 when TVNZ 7 ceased broadcasting.

5.2 Political Economy of Media Ownership: Reinforcing Sky's Dominance

While the period 2008-2011 witnessed the closure of multiple non-commercial national television channels, it also saw Sky reinforce its dominance. Sky benefitted from a continued lack of regulation and made commercial agreements with other broadcasters and internet service providers. Similarly, the other commercial media companies dominant in New Zealand's media environment have expanded into the ICT sector (Myllylahti, 2011). Annual New Zealand media ownership reports compiled in association with AUT University's Journalism, Media and Democracy Research Centre, updated in 2011 and 2012, show increases in ownership convergence and cost-cutting moves within the New Zealand media market. From 2008 to 2012 the four major commercial players in the New Zealand media market –

Sky TV, MediaWorks, Fairfax Media, and APN News & Media - continued their dominance, though some experienced ownership and shareholder changes. In 2010 Australian billionaire Gina Rinehart bought an AUD\$50million stake in Fairfax Media which was increased in 2012. Broadcaster MediaWorks acquired two new private equity owners, both American, although Ironbridge Capital remains its biggest shareholder. Myllylahti (2011) notes that:

It seems the New Zealand media environment is becoming further integrated into the global media system. Within media operations themselves, financial holdings have increased significantly. This is especially the case for APN, Fairfax and MediaWorks. During 2011 Fairfax, APN and Sky expanded their influence at the expense of public broadcasting provision and independent, nationwide news services.

In 2010 Sky launched its online offering 'iSky' in partnership with internet service providers Vodafone, Orcon, Slingshot, Woosh, Xnet and Farmside (Myllylahti, 2011). The move was one of many commercial partnerships that Sky initiated over this period, and in fact a number of these ventures were in partnership with state broadcaster TVNZ. After the removal of Charter funding was accomplished, an understanding was established between TVNZ and its government stakeholders that Charter objectives were no longer of great priority. Shortly thereafter a number of commercial relationships developed between the state broadcaster and Sky TV, even before the TVNZ Charter was officially repealed. Throughout 2010 and 2011 a series of new ventures were announced by TVNZ. These ventures could be framed as a step backwards in public service media provision. They also raised ethical questions about TVNZ's objectives. Just a few years earlier the state broadcaster had been championing the Freeview platform as an alternative to Sky and lobbying the government to regulate the pay-tv broadcaster. In March 2010 reports emerged that a TVNZ channel was to be shown exclusively on the Sky platform, and in June

the Heartland channel was launched. It was to feature exclusively New Zealand content, most of it pulled from the TVNZ archives. Media watchers have questioned the ethics of allowing publicly funded content to be exclusively broadcast through Sky's pay-tv platform. This rendered it unavailable for a large proportion of the population and meant that Sky subscribers were effectively paying twice to see the content – first through general taxation (which contributed to public funding for broadcasting) and second through paying for their Sky subscription. Media reports stated that TVNZ felt it was not commercially viable for Heartland to be broadcast on the Freeview platform. In any case, Sky had insisted that the channel not be broadcast on both platforms (Drinnan, 2010).

The non-commercial channel TVNZ 6, which had carried children's programming during the day, was replaced by the commercial youth-oriented channel U in early 2011. TVNZ then launched a 24-hour channel for pre-school aged children on Sky called TVNZ Kidzone. The channel (commercially constrained by regulation surrounding advertising in child-oriented programmes) was deemed "not commercially viable for Freeview" (Drinnan, 2011). This was the same argument that had enabled Sky to acquire Heartland. TVNZ Kidzone was to provide a margin of profit to TVNZ via Sky passing on a small portion of its subscription revenue for the channel in return for content. Head of digital services at TVNZ, Eric Kearley, was cited in the media as stating that "the future is pay-tv" (Drinnan, 2011). He made it clear that TVNZ's digital services were intended to enable an even more commercial broadcasting, rather than providing a non-commercial alternative (Drinnan, 2011). The openly commercial direction of TVNZ makes it clear that Freeview has a secondary role in its digital strategy (Drinnan, 2011). The announcement of TVNZ and Sky's joint venture – a digital platform named Igloo, which is expected to offer

free-to-air channels as well as a small selection of Sky's basic channels for a monthly fee lower than that of Sky's current basic package – is evidence of this. While TVNZ maintains it is committed to the digital Freeview platform, the state owned broadcaster's clear focus on commercial opportunities within the pay-tv market suggests that New Zealand's public sphere is at risk.

In sum, Labour's public service initiatives were quickly reversed. In the 2011 New Zealand Media Ownership Report, Myllylahti warns that New Zealand's public media space is shrinking as commercial imperatives prevail over public service ones, and that fewer mainstream content providers means less choice for consumer-citizens (2011). The 2012 report warns that "the financialized ownership structure of New Zealand media companies," has made companies vulnerable to restructuring at the whim of shareholders. According to the report, the low share prices of media companies like Fairfax and APN, who are looking at ways to economise, make the companies "attractive targets for investors wanting revenue streams and restructuring deals." The resulting "financilization of media has left companies even more dependent upon investment firms and institutional shareholders who are driven by short term profit imperatives" (Myllylahti, 2012, p10).

While 2011 and 2012 saw public service broadcasting shrink in size, commercial broadcasting experienced growth with new channels making their debut. TVNZ 6 was replaced with the youth-oriented channel 'U' and TVNZ 7 was replaced by TV One plus 1, a delayed broadcast channel. Like the TV3 plus 1 channel which was launched on Freeview in 2009, TV One plus 1 mirrors TV One's schedule but plays an hour later. Also launched in 2012 were two new privately owned channels – Choice TV and the Shopping Channel. Choice TV is owned and operated by Top TV Ltd, of which well-known television production company Top Shelf Productions is a

major shareholder. Its programming “centres on entertainment, information and lifestyle content from around the world” with themes that include property, homes, travel, gardening, food, design, comedy and drama (About Us, 2012). Launched in September, the Shopping Channel is based on the television home shopping format seen overseas and features advertorial-type content hosted by regular presenters. The channel broadcasts twenty four hours a day (eight of those hours live and sixteen pre-recorded) seven days a week on both the Freeview and Sky platforms. The channel also streams live over the internet. Owned by entrepreneur Greg Partington, the channel was positioned for the frequency previously occupied by TVNZ 7. However, Partington and TVNZ could not come to an agreement and ultimately the channel was taken on by Sky TV. An agreement with Freeview was eventually negotiated and now the channel airs on Channel 18 of both digital platforms.

5.3 Sky, Freeview and Content Provision

As earlier chapters have made clear, support for public service television, has often lasted only as long as a government remains in power. However, one factor that has remained constant since 1989 has been the reluctance to impose regulations on an industry that is one of the least, if not the least, regulated in the developed world. The lack of regulation has allowed Sky TV to monopolise the pay-tv market, while influencing the free to air and online content provision markets. Sky is able to reduce the content available to free-to-air broadcasters and its revenue stream from subscription fees means it can afford to outbid other broadcasters for premium content. Sky TV was the country’s only digital broadcaster until the launch of Freeview in 2007. While government support for the free-to-air platform was speeding up the digital switchover, it was also a means to provide another digital

television option to New Zealanders. For many who could not receive an analogue signal because of their geographic location Sky had been the only option. As the only free-to-air digital platform available, the survival and success of Freeview is important because it exemplifies the universality of access principle which is central to public service broadcasting philosophy. In this context, Freeview has been pitted against Sky TV in a battle for digital television provision. Freeview general manager Steve Browning has said in media interviews that the platform is not trying to compete with Sky TV due to their differing business models, but concedes that they are competing for viewers (Peacock, 2007). In fact, as Freeview was formed by a consortium of the country's free-to-air broadcasters the platform effectively represents the free-to-air broadcasting model in general (in contrast to the pay-tv model represented by Sky). In a market with only two platform options and no must-carry regulation from the government, the Freeview-Sky juxtaposition pits the traditional broadcasting model based on free-to-air content and advertising against the pay-tv model based on bundled content and pay walls supported by subscription fees.

Sky's pay-tv/subscription business hinges on the provision of premium and wide ranging content appealing to as many viewers as possible, as well as the opportunity to access premium content. In order to deliver the premium content (sports, movies, and high rating television series) that viewers might consider paying for, Sky must subsidise the non-premium content that is bundled into a package deal. Subscribers cannot access the sports or movie channels without first paying for the 'basic package' which might include channels of less interest to them. In order to reach the secondary pay wall that enables access to premium content, the basic fee must be paid.

The Freeview/free-to-air business model is a traditional one, whereby profits are made through advertising revenue. In this business model the cost of broadcasting an advertisement depends on the time slot in which it is allocated and often the programme in which it is played. Adverts played during non-peak hours have a cheaper rate and cost less to place. However, fewer viewers are likely to see them. Adverts played during peak hours usually have higher numbers of viewers and so therefore have a higher value. The broadcasters entice viewers by programming high rating content which in turn attracts more advertisers wanting to place adverts on the channel at a particular time.

The introduction of digital media has stretched the already competitive market for advertising dollars. Advertisers now spread their campaigns over multiple media outlets. With more channels available on digital platforms and the increased popularity of online and mobile media, free-to-air broadcasters are under pressure. Pay-Tv broadcasters are insulated from this pressure to a certain degree because while adverts are placed on these channels, subscription fees are the primary revenue stream. Both business models rely on premium content to attract viewers. However, the Freeview broadcasters are at a disadvantage due to their reliance on advertising revenue. Because of this, and due to the lack of regulation around content provision in New Zealand, Sky TV is often able to outbid free-to-air broadcasters when negotiating for premium content. Concerns have been raised in the past regarding the broadcasting of sports events with national significance (Hope, 2002). For example Sky has been able to secure the rights to All Black matches even though this results in a large proportion of the country being unable to access the content. Sky TV's influence over the New Zealand broadcasting market has grown remarkably from 2008 to 2012. The pay-tv operator is now in 49 per cent

of New Zealand households (Laugesen, 2012). Successive governments' reluctance to regulate has cemented Sky's monopoly over the pay-tv market, and furthered its expansion into the free-to-air market (with the 2006 acquisition of Prime and commercial relationships with free-to-air broadcasters). Recently Sky has been accused of anti-competitive arrangements with internet service providers (ISPs) for broadband. Sky's CEO John Fellet has confirmed that the contracts Sky holds with major ISPs also prevent them from entering into relationships with entertainment providers without Sky's approval. The ISPs are also unable to seek broadcasting content from providers without asking Sky to get it for them (Laugesen, 2012). Other complaints relate to the provision of unmetered access to content online. That is, watching content on certain sites will not count towards the total data use of a household or business. This is an important issue because New Zealand internet service providers continue to cap data use (consumers pay a set monthly amount in exchange for a set amount of data), effectively resulting in users having to ration their data use over the course of the month. In many other countries internet usage is uncapped, and consumers can download or stream large amounts of audio visual content. The caps on internet data in New Zealand are therefore restrictive, and unmetered sites would be significantly more attractive to viewers. Free-to-air broadcasters had lobbied the government to consider regulating Sky and the Review of Regulation may have addressed this, however according to media academic Peter Thompson the fifth National government seems to be ideologically opposed to the idea of regulation (2011). Since the 1989 reforms, governments led by both National and Labour have failed to re-regulate the industry. Instead, they have taken the 'Wait and See' or 'Do Nothing' approach. This effectively protects the interests of commercial media at the expense of the public sphere and the wider public good.

5.4 Conclusion

The provision of a free-to-air digital platform option for those who were unwilling or unable to subscribe to Sky TV was an obvious necessity for the government in the lead up to the digital switchover. In this regard, enabling TVNZ to establish new channels was a key initiative. There were, however, various motives behind creation of the non-commercial TVNZ digital channels for Freeview. They could function as public service channels with a schedule not reliant on ratings or focused on attracting advertiser's dollars. On the free-to-air Freeview platform universality of access for citizens was ensured. From a neoliberal perspective, airing potentially low-rating but high public value content on the non-commercial digital channels would allow TVNZ to ostensibly fulfil its Charter obligations while allowing TVOne and TV2 to operate commercially and turn a profit by focusing on high-rating content. And from an economic perspective the channels would encourage non-Sky subscribers to purchase a Freeview set top box, thus speeding up the transition from analogue to digital broadcasting and the 'digital dividend' that would come with it. While the establishment of these channels could be seen as a win for civic values and the future of public service broadcasting, the ability to ensure the future of these channels was subsequently eroded by the re-commercialisation of the state broadcaster and the government's reluctance to regulate the changing broadcasting environment.

While the National government acknowledged the value of having public service broadcasting it was unwilling to commit funding to maintain it. Consequently, public service channels ceased to exist in the New Zealand market. Abolition of the charter and the lack of action to keep TVNZ 7 on air is indicative of what Thompson calls "a serious normative shift and a further dilution of the media's civic accountability"

(2011). He states that rather than revert to the extreme neoliberal policies of the 1990s, the government's "stance on broadcasting policy has been rather more ambivalent," though "its default policy perspective will be aligned to neoliberal macroeconomics" (Thompson, 2011).

The ambivalence shown by the fifth National government, as well as the reluctance to re-regulate the broadcasting market after 1989 has allowed commercial interests to expand at the expense of the public interest. The recent demise of the country's key public service oriented television channels has contracted the mainstream public sphere. The media outlets that feed it are almost entirely commercial and many have vested interests in maintaining the status quo of a deregulated market environment.

The media coverage of issues and events effectively define the parameters of debate for citizen-consumers receiving information on a day-to-day basis. These parameters are based on frames used by journalists and their sources to convey stories effectively. What is of note here is that these frames often reflect normative assumptions made by those involved in the communication process. This ultimately affects how each story is told. In the case of public service broadcasting, it is generally assumed that a market-led commercial approach to media provision is the norm and that government intervention in the market is a distorting force. Therefore non-commercial public service interests are placed in the role of 'other' and relegated to a position of 'filling the gaps' left by commercial media provision. A counter frame to this assumption acknowledges that the lack of non-commercial media results in a lack of non-commercial content. Such content is evaluated not on its attractiveness to advertisers, but as a service required by citizens in a functioning democracy. This counter frame assumes that public service broadcasting is imperative to the functioning of democracy and that a media environment dominated

by commercial and vested interests is detrimental to the health of the public sphere. These frames and counter frames determine how a story is communicated through the media. This in turn has an impact on how citizen-consumers receive and process the information contained in media reports. In the following chapter I will analyse media coverage of key events relating to the rise and fall of TVNZ's non-commercial digital channels in order to identify the underlying frames that define the parameters of debate on the general topic of television broadcasting.

Chapter 6:

Digital Television Broadcasting: News Coverage and News Frames 2006-2011

Thus far I have chronicled changes in the political economy of television broadcasting in New Zealand. Broadly, the major periods of development can be labelled as state control, public service, commercialisation, Third Way and re-commercialisation. The purpose of this chapter is to examine media coverage of television's shift from analogue to digital. Traditionally, debates concerning broadcasting policy and content have occurred within an analogue environment. However, the move to digital-only broadcasting provided new opportunities and challenges for public service provision. Here, I will identify how these opportunities and challenges have been depicted in the news media. In this context three key passages of events will be examined. Two of these passages of events occurred during the fifth Labour government's third term in office (2005-2008) and one occurred during the fifth National government's first term (2008-2011). In 2006 the dual announcements concerning the establishment of the free-to-air digital broadcasting platform, Freeview, and the subsequent establishment of TVNZ's non-commercial digital channels were public acknowledgements of New Zealand's transition from analogue to digital-only broadcasting. This occurred under the fifth Labour government, whose broadcasting policy had included a partial commitment to public service ideals. This passage of events provides a snapshot of the relationship

between state, media and corporate interests. In the following pages I will explain how Labour's announcements were framed in the news media. The 2011 confirmation that TVNZ 7 would cease broadcasting at the end of its allocated period of funding is indicative of the re-commercialisation of New Zealand's broadcasting environment. All public service broadcasting initiatives from the previous administration were annulled. As I will show, this passage of events was framed in a particular way in the news media. The analysis of this passage of events will include a short description of what occurred, and a discussion of the prominence and location of the selected media texts. I will also refer to the headlines, dominant narratives, and visual devices contributing to the framing of issues covered within the texts.

Overall the sample of media texts totals 32 and is categorised as follows:

Media Type	Event 1a	Event 1b	Event 2	Total
Print texts	10	9	9	28
Television clips	2	2	0	4
Total	12	11	9	32

This sample was drawn from the following print media sources: the New Zealand Herald, the Dominion Post, The Press, the Otago Daily Times; and the following television media sources: One News at 6, 3 News at 6.

On the following page I have included a timeline of events relevant to the establishment of free-to-air digital broadcasting in New Zealand. This timeline does not include the period of development and strategy planning that occurred during the early years of the new millennium; rather it begins in 2006 with the public announcement regarding the intention to establish the Freeview platform. The text highlighted in bold represents the events that will be analysed in detail within this chapter.

TIMELINE OF DIGITAL TELEVISION IN NEW ZEALAND

2005	September	<i>General election: Labour-led government retains power, begins third term in office</i>
2006	February	Commerce Commission approves Sky TV's bid to buy free-to-air broadcaster Prime
	June	Public funding and plans announced for free-to-air digital television platform, Freeview, to begin transmission in 2007
2007	November	Public funding announced for TVNZ to establish two non-commercial digital channels – later named TVNZ 6 and TVNZ 7
	May	Freeview Satellite launched
2008	September	TVNZ 6 goes to air
	March	Te Reo, Maori TV's second channel, is launched; TVNZ 7 officially launched
2009	April	Freeview DTT launched
	November	<i>General election; National-led government comes to power</i>
2010	March	TV3 plus 1 goes to air and is available on both Freeview and Sky platforms
	July	TVNZ digital channels air on Sky platform
	August	Prime becomes available on the Freeview platform after an initial refusal to join the platform sparked negotiations mediated by the Minister of Broadcasting
2011	June	TVNZ Heartland channel goes to air exclusively on the Sky platform
	December	TVNZ 6 closure announcement
2011	February	MediaWorks' new channel, FOUR, goes to air; TVNZ 6 ceases broadcasting

2011	March	TVNZ 7 is re-launched with TVNZ 6 content; TVNZ's channel 'U' goes to air
	May	TVNZ Kidzone 24 goes to air exclusively on the Sky platform
	April	Confirmation TVNZ 7 to close
	November	Plans for Igloo, a low-cost pay television service, announced by TVNZ and Sky TV <i>General election: National-led government retains power; begins second term in office</i>
2012	April	Choice TV launched on Freeview DTT
	June	TVNZ 7 ceases broadcasting
	July	TV ONE plus 1 goes to air and is available on both Freeview and Sky platforms
	October	The Shopping Channel launched on Sky and Freeview DTT platforms
	December	Igloo service launched after a series of delays

The topic of digital television in New Zealand had been on the government's agenda for years with varying degrees of priority. TVNZ had proposed starting a digital service in the late '90s but this was rejected by the incoming fifth Labour government as its priority at the time was to focus on implementing public service commitments at TVNZ rather than commercial ones. Since then slow progress had been made in determining how New Zealand would handle the switchover to digital-only broadcasting. Although the government had committed to taking a 'hands-off' approach to the switchover, it chose to facilitate and support a working group made up of industry experts and representatives from the country's broadcasters. In 2006 the government announced that New Zealand's first free-to-air digital broadcasting platform, Freeview, would be launched the following year. In November 2006 the Government announced that two new digital-only free-to-air channels from TVNZ were in the pipeline. Both of these ventures were to be supported by public funding, and as such press releases were distributed by Broadcasting Minister Steve Maharey.

6.1 Freeview Announcement and Reactions

The first passage of events began on June 15th, 2006. This is recorded in a press release archived on the government's official website¹. Under the title 'FREE-TO-AIR TV TO BEGIN ROLL-OUT NEXT YEAR' (Maharey, 2006a), the Minister of Broadcasting announced that a free-to-air digital television platform named Freeview would begin transmission during 2007. These plans had been developed by a consortium of free-to-air broadcasters that included TVNZ, CanWest, Maori Television, Trackside and Radio New Zealand. In the release Maharey states that

¹ www.beehive.govt.nz

“the Labour-led government wants to ensure all New Zealanders are able to enjoy the benefits of digital television, and that public broadcasting remains a strong part of the free-to-air mix.” He also mentions the ‘digital dividend’ which is the name given to the net financial gain of approximately \$230million for the government that is expected to come about as a result of the transition from analogue to digital broadcasting. The government promised to commit a total of \$25million over five years to the establishment of the Freeview platform. This accounted for one third of the platform’s establishment costs, with the other two thirds of the cost covered by the broadcasters involved. The media release also mentions that broadcasters would have free access to the country’s digital frequencies over the course of the transition period. The government estimated these to be worth up to \$10million. Also announced was the fact that Freeview would operate on a non-profit basis during the transition period, with open access for new services.

6.1a Prominence and Location of Texts

Evidence suggests that this announcement was considered to be of high newsworthiness in the mainstream media. The initial announcement was covered by the mainstream print media (specifically, the four national daily newspapers: The New Zealand Herald, The Dominion Post, The Press and The Otago Daily Times) with varying degrees of prominence and varying degrees of news space. At least one news report appeared in all four of the daily print publications on the 16th of June, the day after the announcement was made. In fact, four of the twelve media texts collected appeared on June 15th, the day of the announcement, and five appeared the day after. The other media texts were spread throughout the rest of the collection period. The vast majority of these texts can be classified as factual news reports, and one was an interpretive article that focused on the technological side of

digital television and how it is different to analogue. None of the texts were feature articles or opinion-based editorials or 'Comment' pieces. Another clue as to the high newsworthiness of this announcement is that a significant proportion of the print texts were placed in prominent positions in their publications of origin. For the purpose of this thesis 'prominent placement' in a newspaper is defined as being located within the first three pages of the first section of the publication. Thirty per cent of the print texts relating to the Freeview announcement were placed on the front page of a newspaper, and fifty per cent were placed within the first three pages of the first section. Therefore, half of the print texts can be classified as having been placed in a prominent position within a print publication. For the television news clips, both stories appeared within the first fifteen minutes of their respective news hours, though One News broadcast its story 8.23mins into the news hour and 3 News broadcast its story 12.20mins into the news hour. For the purpose of this thesis the term 'prominent placement' in reference to television news clips will refer to those stories broadcast within the first fifteen minutes of the news hour. Therefore, while the story was not broadcast first on either channel, the clips can be classified as having been prominently placed. For print texts, the size of font allocated to a headline is also an indicator of prominence. In this case, large font for a headline implies importance. After classifying the texts into headlines that were 'Small', 'Medium', 'Large' or 'Extra Large,' it was found that the majority of headlines for this event tended to be on the larger side. This fits with the prominence given to the texts with regards to their placement in each publication of origin. 60 per cent of the headlines were categorised as being 'Large' or 'Extra Large' in size.

6.1b News Sources

The media coverage of this passage of events included twelve sources overall for both print and television, most of which can be considered 'elite' sources. Many of these were cited in multiple media texts. For print, the primary, major source of information is Minister of Broadcasting Steve Maharey, who hosted the press conference where the announcement was made. Maharey's view is a proxy for that of the Government, so an analysis of his remarks will provide insight into the establishment of Freeview from the Government's perspective. The secondary sources of information for this passage of events can be split into three groups: industry representatives of the Freeview consortium, the broadcasting spokespeople from political parties, and academics/media commentators. The industry representatives include TVNZ CEO Rick Ellis and CanWest CEO Brent Impey. In this case, Ellis and Impey provide 'back up' to Maharey's promotion of the Freeview platform and their comments are often presented in association with Maharey's. Comments from the secondary sources are used to supplement the Minister's comments or provide reaction value.

Other secondary sources include broadcasting spokespeople - National's Georgina te Heuheu and Green's Sue Kedgley, both of whose comments are positioned as reaction from those with interests outside of the Freeview consortium and Cabinet. Sources from the final grouping (also the least utilised grouping) include academics Paul Norris and Peter Thompson, and Sky TV spokesperson Tony O'Brien². The latter is included here because although he is a broadcasting industry representative he is not a part of the Freeview consortium and therefore his comments have a similar purpose as those from media academics and commentators, which is to

² While O'Brien is described in the media text as Sky's 'spokesman', his role at the pay-tv broadcaster is in fact that of lobbyist.

provide comment from sources outside of Parliament and those with vested interests in the announcement. For television the sources are much the same with Steve Maharey featuring as the primary source and the regular secondary sources including Sue Kedgley, Rick Ellis, and Brent Impey. Secondary sources limited to the television coverage include James Cunnold of Dick Smith Electronics, Wilson Owen of the Independent Financial Review, and Glenn McKay of Noel Leeming.

The selection of sources present within the media coverage for this passage of events is relatively narrow. Most of the texts make use of the same elite sources – politicians and industry CEOs – and often use the same or similar quotes in reports. The non-political secondary sources used in the print texts were media academics, while the secondary sources from the television coverage were used to provide background on the technological side of the events. Neither of these groups of secondary sources were used with any regularity, and most comprised of a short comment that fit with the frame already created to report on the information provided by primary and political sources.

6.1c News Frames and Narratives

Media coverage of the Freeview passage of events began in the morning of the day of the announcement with two print articles. One appeared in the New Zealand Herald and the other in the Otago Daily Times. That evening, a television news clip appeared on each of the 6 o'clock evening news bulletins on TV One and TV3. It is possible that the print texts appeared as the result of a press release or similar briefing document which was distributed prior to the event. The official announcement was made during a press conference at Parliament, and this was captured on camera by the television news media that day, hours after the print texts

were published. It should also be noted that the article published in the Otago Daily Times and attributed to the NZPA is a shortened version of the article that was published in the New Zealand Herald. The early print texts provide a basic narrative structured around who is included in the Freeview consortium and what Freeview means for viewers. The headlines of both are suitably bland, and only the Herald text includes quotes from secondary sources reacting to the limited detail so far provided. The discussion around what Freeview means for viewers is framed around the promotion of digital television as an opportunity. The narrative theme of 'opportunity' is one that runs throughout the media coverage of this event, and is mentioned especially by Minister of Broadcasting Steve Maharey. The following text is one of the two print reports that were published on the morning of the announcement, before the official press conference:

BROADCASTERS LIFT WRAPS ON FREE TO AIR DIGITAL TV TODAY

Service will offer a way around the snow and ghosting that plagues rural viewers

Limited and snowy television coverage could soon be a thing of the past for rural homes as free-to-air digital television finally looks set to become a reality. An announcement at a Wellington conference today is expected to pave the way for clear viewing usually reserved for people who live in or close to urban centres or who have signed up with Sky Television...

...The costs of boxes and dishes, and the costs of establishing and running the Freeview service, are expected to be revealed today. Beyond what is currently offered for free by the major broadcasters, future programming for digital free-to-air is not known. National Party broadcasting spokeswoman Georgina te Heuheu said the new service sounded good but called on Mr Maharey to outline all the costs involved up front. "It seems there is no agreement among the broadcasters on programming and no agreement on who is going to pay for it," Mrs te Heuheu said. "Any announcement will look and sound very hollow unless the Government lays out for the public exactly how much taxpayer money is involved."

- NEW ZEALAND HERALD, pA5, 15 June 2006

Describing the reception problems of rural viewers as a plague in the article's subheading reinforces the opportunity frame by placing free-to-air digital television in the role of long-awaited saviour. The 'opportunity' narrative denotes optimism and a

positive outlook, and is identified in coverage angled to highlight the benefits of 'Going Digital'. A key benefit that is highlighted repeatedly through the media coverage is the opportunity for more television channels to be broadcast free-to-air. This is evident in the following print report, published the day after the announcement was made:

18 CHANNELS AND IT'S ALL FREE

Major broadcasters embrace move to new digital service

New Zealand's move to digital television could give viewers the choice of up to 18 free-to-air channels. The change is good news for people in areas with bad reception, where the only option so far has been to subscribe to Sky and receive a free-to-air package – for a monthly fee of \$18.20 and installation costs of \$99. The digital system also means more channels. The satellite deal offers up to 18 different channels, and TVNZ and CanWest, which owns TV3 and C4, have taken up six of the channels each – giving them four extra on top of their two existing channels. Prime could also sign up and some regional stations – such as Alt TV – are looking to buy in. The head of the broadcasting school at Christchurch Polytechnic, Paul Norris, said it could also mean a boost for local content. TV One and TV2 could be left to run as they were, while the other channels were less commercial. "One of the big questions is whether the Government is going to assist in funding for these new channels, especially if they are commercial free. There was silence from the minister on that today," Mr Norris said. Broadcasting Minister Steve Maharey said decisions were still to be made on whether the Government would front up with further public funding for local content on the new channels. TVNZ chief executive Rick Ellis said he hoped to announce new channels by the end of the year and have something ready to run from the time the satellite transmission started. However, he warned any financial results could be some way off. "Building commercial capacity around those services will be a lengthy process and initially they will not be commercial, but that will build over time." In the past, TVNZ has viewed new channels as a place to screen programmes targeted at minority groups, or for pure public broadcasting content which would run non-commercially. In a memo to the TVNZ board last October, just before his resignation as chief executive, Ian Fraser discussed at least two new non-commercial channels, including a news and documentary channel and a daytime children's channel, which would screen life-style programmes or drama and arts in the evenings. Mr Ellis would not discuss the kind of channels TVNZ was looking at, beyond saying many ideas had been considered and now intensive research would be done to figure out which ideas would work. Brent Impey, CanWest's chief operating officer who was fronting for the Freeview grouping, said CanWest's plans were secret. "We won't be launching new services unless we can see we will get some return from them. But we are not prepared to disclose our plans." Commentators wonder whether the cost of the initial set-up will put people off joining up. Unitec senior media lecturer Peter Thompson said people could need a sweetener to part with up to \$400 to sign on to digital, especially if they could see no discernible difference in the offerings of digital compared with analogue. He said Sky had always offered incentives for people to subscribe by subsidising the cost of the decoders and installation. If people were slow to take up Freeview, it might have to consider doing the same.

PICTURE: Wall made of television screens

CAPTION: 'CHANNELS GALORE: Sky will no longer be the limit for households in isolated areas'

- NEW ZEALAND HERALD, pA4, 16 June 2006

The positive headline and subheading are reinforced by the visual devices (picture and caption) accompanying this article. The 'opportunity' narrative comes through strongly, carrying with it a normative assumption that 'more is better'. The caption of the picture infers that because of the multiple new channels made possible by free-to-air digital broadcasting, viewers with reception will now have another option to choose from, rather than subscribing to Sky TV. The 'more is better' assumption is reinforced by certain key words. The term 'free' is used in association with '18 channels' to imbue the number with positive connotations. The use of keywords such as 'choice', 'option', and 'extra' further add to the perception of positivity in relation to this announcement. An opposing narrative would be to question whether the choice provided by an increase in channels would be necessarily matched by a wider range of content. At this stage, with no confirmed digital funding for local content and increased pressure on free-to-air broadcasters to fill more schedules, a fragmented market may generate little content that is representative of New Zealand and its culture. This narrative is present within the media coverage, and is represented by quotes from secondary source Sue Kedgley, the broadcasting spokesperson from the Green Party in the following texts:

DIGITAL TV FOR NZ NEXT YEAR

...Green Party MP Sue Kedgley said the party was worried about the impact on local content and potential costs for consumers. "Digital television will spawn a plethora of new channels, and there is a serious concern that New Zealanders will be swamped with overseas television," she said...

- THE PRESS, pA1 and A3, 16 June 2006

DIGITAL TV SERVICE – BUT COSTS UNKNOWN

...Broadcasting Minister Steve Maharey said the “joined up” approach to digital provided the best opportunities not only commercially, but also in giving expression to New Zealand’s “shared cultural identity”. Green Party broadcasting spokeswoman Sue Kedgley said the introduction of the Freeview TV gave New Zealand a “great opportunity” to explore advertisement-free public broadcasting, but she remained concerned about the impact on local content and potential costs for consumers. “We need to guarantee that television about New Zealanders, which reflects our society and contributes to our national identity, will still be available,” Ms Kedgley said.

- OTAGO DAILY TIMES, pA3, 16 June 2006

Kedgley’s use of words such as ‘spawn’, ‘swamped’, and ‘serious concern’ associates new digital channels the prospect of an overwhelming amount of content from overseas. It is interesting to note that Kedgley is cited multiple times on the issue of national identity being represented in television broadcasting, or concerns over excessive overseas content. In contrast, Broadcasting Minister Steve Maharey, a primary source in relation to this announcement, is only mentioned once³ in relation to the public service possibilities of digital broadcasting, and even then the comment is vague and seems to have been made more for rhetorical than practical purposes. The following article, published towards the end of the collection period, focuses on an exchange between Kedgley and Maharey on this topic:

GOVT PLANS NO LOCAL CONTENT QUOTA FOR DIGITAL TV

The Government would not impose quotas to ensure local content on digital television, Broadcasting Minister Steve Maharey said yesterday. Green MP Sue Kedgley said that without substantially increased funding for local content or local content quotas, digital television “may simply deliver us high-quality images of low-quality overseas programme and endless reruns of other people’s reality TV”. The Government confirmed last week that free to air digital television would be phased in from next year. Kedgley asked the minister yesterday in Parliament whether the Government would put in place quotas to ensure a guaranteed amount of local programming on the proposed 18 new digital channels. Maharey said it was not intending to impose quotas. “Our commitment is to provide up to \$25 million over five years towards the establishment of Freeview and provide access to frequencies estimated to be worth up to \$10 billion.” Maharey said the Government supported local content through funding of NZ on Air and the TVNZ charter – with combined funding for these initiatives around \$83m a year. Maharey said he expected TVNZ to set up six new channels once digital television was established. Kedgley said TVNZ could differentiate itself from all the other channels by making one channel “an advertisement free genuinely public broadcaster”. She also said yesterday that many

³ In the text titled ‘Digital TV service – but costs unknown’

New Zealanders would not be able to afford to the \$300-\$400 technology upgrade to switch to digital. "What will happen to those who haven't been able to make the change before the analogue switch off in six to 10 years?" she said. "Will he guarantee that no one loses access to television because of the cost of the upgrade?" Maharey said the most likely cost was \$200 plus a \$30 fee for someone to "twiddle with the aerial". "Over time those costs may well come down to next to zero. For example, I imagine within six to ten years, manufacturers will put the digital component inside the television set when a person buys it and that will leave almost no costs at all to the person who is the consumer," he said.

- THE PRESS, pA2, 21 June 2006

Maharey's response to Kedgley's questioning in Parliament on the topic of local content quotas makes it clear that Freeview was viewed primarily as a means to an end in achieving the switchover to digital. At this point, Freeview was being promoted as an opportunity - to solve reception problems, to launch new channels, and to provide new services. There is almost no mention of Freeview as a conduit for public service broadcasting.

While some of the articles collected in relation to this passage of events were optimistic in tone, there were just as many that were pessimistic. By that I mean that instead of highlighting the opportunities brought about by Freeview, the articles focused on what could be perceived as negatives. The aspects of Freeview treated as negatives included the set-up cost, and the lack of information from broadcasters on what was to be broadcast on the extra digital channels. While most of the articles refer to the perceived technological benefits of Freeview (better reception, higher picture quality, more channels, potential for more services), most of them also mentioned what may be perceived as negatives. The media texts can be broadly split into two groups: those articles which are optimistic in tone highlighting likely benefits of Freeview over the perceived negatives; and those which are pessimistic in tone highlighting perceived negatives (over the perceived benefits). While the narratives that focus on opportunity are positive and optimistic in outlook, the

narratives that focus on challenges seem negative and pessimistic in tone when juxtaposed with opportunity narratives. Often the distinction can be made by looking at the headline and first paragraph of the media text, which serves to 'set the scene' for the rest of the article. The difference between the two approaches can be illustrated by considering the opening script used by each of the news anchors from TV One and TV3's 6 o'clock news hour. In television news clips taken from the evening news hour on June 15, 2006, the day the Freeview announcement was made, one of the anchors sets the tone by using an opportunity narrative that focuses on choice, while the other sets the tone of the clip using the challenge narrative that focuses on cost.

TV ONE 6 O'CLOCK PRIMETIME NEWS

Anchor: Meanwhile, free to air digital TV could be up and running next year. The government and major broadcasters have announced plans for up to 18 new channels.

- ONE NEWS AT 6, 15 June 2006

TV3 6 O'CLOCK PRIMETIME NEWS

Anchor: More TV channels and better quality pictures are on the way for most New Zealanders, at a cost. The government, TVNZ and CanWest, which owns TV3 and C4 have joined forces to announce plans for free to air digital TV which will begin next year. But there's a catch. It'll cost between two and three hundred dollars for a set up box to receive the 18 channel service. It'll be called Freeview and political editor Steven Parker has the details.

- 3 NEWS AT 6, 15 June 2006

While the TV3 script does not dramatically denounce the announcement of Freeview, the action of announcing something perceived as a positive (more channels) before immediately negating it with something perceived as a negative (cost) ensures that the 'last word' is always the negative. The TV3 script manages to do this twice in a row. To highlight what are perceived as challenges is not unusual in and of itself but there was a trend for some news coverage to be inherently critical

in tone and in newspapers this kind of coverage placed the potential downside of Freeview prominently within the article, and often within the headline. The most prominent downside, identified throughout the media coverage, was cost to taxpayers and consumers. The secondary downside was identified as fears for content. One of the most critical articles in terms of tone and highlighting challenges over opportunities was the following text, published in the Otago Daily Times the day after the Freeview announcement:

DIGITAL TV SERVICE – BUT COSTS UNKNOWN
Infrastructure upgrade required

Free-to-air digital television will be introduced to New Zealand from next year, but the costs to viewers and taxpayers have still to be revealed. Consumers may still have to pay hundreds of dollars for decoders, and more for satellite dishes to access Freeview TV. On top of that, the Government will need to spend upwards of \$25 million to upgrade the infrastructure to enable the digital television service to be received on existing television sets, but electronics manufacturers and broadcasters have been issuing warnings about receiving new digital services in the future. People buying new television sets are being urged to ensure they are “future proof” and able to receive the high definition television (HDTV) being released by Sky Network TV later this year. The HDTV service requires digital-capable television sets. Some television sets labelled “HDTV ready” lack an anti-pirating device – designed to prevent unauthorised copying of programmes – without which subscribers could not receive Sky broadcasts. The Freeview Group, made up of Television New Zealand, Maori Television, Radio New Zealand, the New Zealand Racing Board and CanWest, had worked for about 12 months on the proposal for the free to air digital television service which was approved yesterday by the Government. New Zealand THK Group had been developing the digital service during that time and had carried out trials in its Auckland office, chief executive Geoff Hunt told the Otago Daily Times when contacted for comment. There would be two types of Freeview TV – digital terrestrial television (DTT) and satellite television which would enable rural residents to receive clear pictures. Households with a UHF aerial – used now to receive local television channels, Prime and Sky Network TV analogue reception – would be able to receive the DTT signal after buying a “set-top box”, or decoder Mr Hunt said.⁴ The cable from the antenna would plug into the decoder and another cable would plug into the television, converting the digital signal into analogue and allowing people to continue using existing television sets. Subscribers of Sky’s digital service would be able to access to satellite Freeview TV by splitting the received signal, he said. Rural viewers without Sky would have to buy a satellite dish to receive the new service. Eventually, the decoder boxes would include personal video recorders, making it easy to record programmes. “If you are a Desperate Housewives fan, you can programme the box to record it at the same time each week, indefinitely,” he said. Sky TV already provides MySky, which offers the same service. The decoders would

⁴ At this point in the text the article, the first half of which was printed on page A1, is cut off and the reader is directed to turn to page A3 of the same newspaper to resume reading. The headline accompanying the second half of the text on page A3 is: DIGITAL TV COSTS UNKNOWN.

be available through retail electronic outlets. Design by the THL subsidiary Broadcast Communications Ltd was well advanced. "We have been working collaboratively with key government agencies and the Freeview Group for over a year to get this far," Mr Hunt said. "This decision means that we are now in a position to formalise commercial negotiations with the broadcasters to commence construction on the transmission sites. "For a small up-front investment, viewers will soon have access to free to air, quality programming, interactive TV guides, wide-screen format and multi-camera viewing." However, existing analogue television coverage would still broadcast in New Zealand until the Government decided there were so few people left using that service that it could be shut down, he said. Overseas experience showed that a period of between six and 10 years was needed to ensure people had upgraded to receive the digital service. Analogue television was being switched off in parts of the United Kingdom eight years after the introduction of a digital service, Mr Hunt said. Broadcasting Minister Steve Maharey said the "joined up" approach to digital provided the best opportunities not only commercially, but also in giving expression to New Zealand's "shared cultural identity". Green Party broadcasting spokeswoman Sue Kedgley said the introduction of the Freeview TV gave New Zealand a "great opportunity" to explore advertisement-free public broadcasting, but she remained concerned about the impact on local content and potential costs for consumers. "We need to guarantee that television about New Zealanders, which reflects our society and contributes to our national identity, will still be available," Ms Kedgley said.

- OTAGO DAILY TIMES, pA1 and A3, 16 June 2006

The headline and first paragraph set the focus on cost to taxpayers and viewers in the first instance. While a large proportion of the article is filled with technical discussion from a primary source, the take-away impression of the article remains the focus on cost. The first paragraph of the article infers that there may be a great cost still to be announced for consumers and 'on top of that' the government will be contributing millions to the costs of infrastructure. Thus the costs discussed are perceived as negative challenges rather than a one-off investment to facilitate a new era of broadcasting capabilities. Had the cost been framed in this way, the text might have been characterised as optimistic.

While the establishment of Freeview as a digital broadcasting platform constituted a free-to-air counter to Sky TV's subscription model, the media coverage of this passage of events does not give this impression. Sky is rarely mentioned in the coverage, save for a handful of times in relation to technological considerations.

Examples of these include references to the fact that Sky satellites can be used to receive Freeview's signal, and that Freeview provides a free-to-air option for isolated households that were previously monopolised by Sky.

The frames of opportunity and cost were fairly evenly split in terms of their prevalence in the media coverage. However, for this particular passage of events the opportunity frame has been determined as the prevailing perspective overall. The reasoning behind this is that although the cost frame comes across strongly in a number of the texts, especially in those that mention dollar figures in headlines, the opportunity frame was featured in all of the texts analysed with varying degrees of prominence. There are some texts that did not utilise a cost frame and for this reason the opportunity frame has been found to be the more prevalent of the two.

While the opportunity frame was found to be more prevalent than the cost frame, it was still used within relatively narrow parameters. Most of the opportunities mentioned were in relation to the technological benefits of digital television, such as better reception, clear pictures, and more channels. The opportunity frame was not used in relation to the provision of public service broadcasting in the digital age.

While some of the secondary sources touched on this topic briefly, overwhelmingly the focus of the opportunity frame was narrowly aimed at the technological benefits that would come from digital broadcasting.

6.2 Digital channels for TVNZ Announcement and Reactions

On November 14th 2006 a press release from Minister of Broadcasting Steve Maharey titled GOVERNMENT BACKS TVNZS MOVE INTO DIGITAL (Maharey, 2006b), announced that the government intended to support TVNZ's digital content proposal by providing funding of \$79million over a period of six years. In the release Maharey stated that "The government is backing TVNZ's plans to strengthen its public broadcasting offerings as it makes the transition to free-to-air digital." The digital content proposal included the launch of two non-commercial digital channels exclusively for the Freeview platform. The release also stated that "the government is committed to ensuring high-quality public broadcasting is part of the digital mix," but stipulated that the investment of funds was for the start-up phase of the digital services and that there was an expectation that the new channels would become self-sustaining over time. Maharey is quoted as saying "As well enriching our culture, supporting the move to digital will benefit our economy and ensure New Zealand is not left behind in the worldwide shift to this technology."

6.2a Prominence and Location of Texts

While this event caused arguably more controversy than the previous Freeview-related announcement it generally received lesser prominence in terms of placement. However, much of this is due to the type of texts that were included in the coverage. Of the nine print texts collected, five were news reports while three were columns and one was an editorial. It fits with the general layout of newspapers that columns and editorials are usually located further back in each edition. The Freeview announcement was more likely to be prominently depicted because most of the coverage was comprised of news reports. Of the print news reports concerning the

digital channels announcement, thirty three per cent can be classified as having been prominently placed, but just eleven per cent (one text) appeared on the front page of a newspaper. In total sixty seven per cent of the print texts appeared in the first section of their publication of origin, and thirty three per cent appeared in another section of the paper. The coverage of this event is clustered at either end of the collection period. The two broadcast news clips aired in the 6 o'clock news hour on 14th June, the day the announcement was made. The story was broadcast by One News 7.24mins into the news hour, while 3 News broadcast the story 18.01 minutes into the news hour. Therefore, the story broadcast by One News can be considered prominently placed, while the story broadcast by 3 News cannot. This difference in placement is interesting when considering the content of each news story, which will be discussed later in this section. Each of the four national daily newspapers included a news report on the day following the digital channel announcement (15 June). At the opposite end of the collection period the texts collected consisted of columns and editorial texts. These were published in the Saturday or Weekend edition of three publications (18 June). The remaining texts were published on the 16th and 20th of the month. The fact that each of the print publications carried coverage of the announcement the following day, as well as the fact that the topic prompted columnists and an editor to also cover the event suggests that despite having fewer texts placed prominently than in the Freeview case, the digital channels announcement was still considered to be of relatively high newsworthiness. While this announcement had just one third of the relevant collected texts placed prominently within their publications of origin, a classification of the texts based on headline font size revealed a high proportion within the upper

limits of the sizing options. Seventy seven per cent, more than three quarters of the texts, were classified as having headlines with 'Large' or 'Extra Large' font size.

6.3b News Sources

The sources used in the media coverage for this passage of events were very similar to those for the Freeview announcement. Ten were used, some in both press and television coverage. For press coverage the primary source was Broadcasting Minister Steve Maharey and secondary sources TVNZ CEO Rick Ellis, CanWest CEO Brent Impey, and Green Party broadcasting spokeswoman Sue Kedgley. Less regularly featured secondary sources within the newspaper articles included South Pacific Pictures CEO John Barnett, academic Jim Tully, and CanWest's COO Rick Friesen. For television coverage Maharey is still the primary source but secondary sources include academic Paul Norris, TVNZ CEO Rick Ellis, National MP Murray McCully, and Auckland Teleport employee Tony Dunnett.

6.4c News Frames and Narratives

The headlines of the media texts in relation to this passage of events infer an overwhelmingly negative attitude toward the allocation of funding for TVNZ's non-commercial digital channels. The headlines can be classified into three groups: those that are concerned by the funding allocation, those that are concerned by the likely channel content, and those that focus on the struggling television broadcasting industry. The issues of concern highlighted after the Freeview announcement such as cost to taxpayers and content are relevant here too. This time the narratives can be framed in terms of worth/value. The worth/value binary can be defined in association with neoliberal ideology. The non-commercial channels can be evaluated both in terms of their worth and their value, though the criteria for assessing worth

tends to be economic and the criteria for assessing value tends to be social. In terms of neoliberal ideology, economic considerations are given high priority (worth) while social democratic considerations are given low priority (value). The following text is an example of the competing definitions of worth/value that were explored in media coverage of the digital channels announcement:

REPEATS STAR IN TVNZ'S NEW LOOK

Govt gives \$79m for digital, viewers have to pay \$200

TVNZ is hoping a 24-hour news channel and a family channel will lure viewers to its new digital service, although 70 per cent of the content could be repeats. The state broadcaster and the Government yesterday unveiled a deal that gives TVNZ \$79 million over the next six years to switch to digital broadcasting. TVNZ will use the money to start a 24-hour, seven days a week digital news, information and sport channel late next year and a "home" channel in the first quarter of 2008. Both channels will be commercial-free, although the news channel will have some sponsorship. TVNZ chief executive Rick Ellis said yesterday he hoped the new channels would encourage viewers to pay \$200 to get the decoder required to tune into free to air digital television. He said a news, information and sports channel stood out as one thing people expected from a public broadcaster. Asked how much of the new channels' content would be repeats of material from TV One and TV2 he said "roughly" 70 per cent would be "rescheduled local content". South Pacific Pictures chief executive John Barnet said repeating the programmes on the new channels would give viewers more opportunities to view them without the constraints of traditional scheduling. Broadcasting Minister Steve Maharey said the Government wanted TVNZ's public service broadcasting role strengthened. The government wanted more local content, more diversity of programming and more in-depth styles of programmes on the two new fully funded digital channels and "more satisfaction from that wider range of audiences". Brent Impey, chief executive of TV3's owner CanWest MediaWorks, said the digital deal meant TVNZ was almost achieving "charity status". "In our opinion, it's use of taxpayer funding to subsidise a failing commercial business – it essentially amounts to a bail-out," he said. TVNZ's news channel will have a news bulletin every hour on the hour, but will not be a rolling news service like CNN or Sky News. It will have about 80 per cent local content. The channel will broadcast sport, but TVNZ said Sky's financial position enabled it to dominate sports rights. TVNZ is likely to broadcast extended cover on the new channel of sports to which it has rights. The "home" channel will run 18 hours a day, showing children's programmes between 6am and 4pm, family shows between 4pm and 8.30pm and adult oriented drama, comedy, arts and performance shows until midnight.

LIFTOUT QUOTE: "In our opinion, it's use of taxpayer funding to subsidise a failing commercial business – it essentially amounts to a bail-out." – Brent Impey, CanWest

-NEW ZEALAND HERALD, pA1, 15 November 2006

While Maharey focuses on the 'value' of non-commercial digital channels, Impey's counter argument is based on neoliberal ideals implies the channels are not worth the funding, which he characterises as 'a bail-out'. There are four sources cited in this article. The primary sources are TVNZ CEO Rick Ellis and Minister of Broadcasting Steve Maharey. While both refer to TVNZ in its capacity as a public broadcaster, Maharey in particular makes use of well-known key words that are associated with public broadcasting –'local content' and 'diversity'. The funding allocation is perceived as being for the purpose of ensuring that TVNZ's 'public service role is strengthened'. The secondary sources, CanWest CEO Brent Impey and South Pacific Pictures CEO John Barnett, have been included as secondary sources whose comments are placed in reaction to the announcement made by Maharey and Ellis. While Barnett's contribution frames the new digital channels as a positive, Impey's contribution in particular is strongly negative.

Of all the texts collected in relation to this passage of events, this was the only one to be featured on the front page of a newspaper. As well as being prominently placed, it features a headline in extra-large font, a picture, an information box with the title WHAT WE'LL SEE, and a lift-out quote from CanWest CEO Brent Impey. Lift-out quotes are visual devices where a quote or sentence of text is taken from the body of a story, enlarged and made separate from the rest of the copy. This results in a textual equivalent of a photograph or picture. In this case, the featured quote from Impey is a classic example of approaching public service broadcasting from a position of neoliberal bias. It is interesting to consider why this particular quote may have been chosen as the lift-out, and what impact it may have had on readers.

The quote clearly suggests tension between the source, a CEO of a commercial broadcaster, and an unknown other party, though considering that the headline

mentions TVNZ it is reasonable to assume this is the 'business' Impey refers to. It is an emotive response which no doubt was expected to entice readers. Yet it could also influence the readers' experience of the text because, after the headline and subheading, the lift-out quote is presented in the next largest font size and is positioned in the middle of two columns of text with white space surrounding it. This has the effect of drawing the reader's eye. Having read the headline, subheading and quote, the reader is given an impression of the content of the text before having read it. While the body of the text contains information as to the details of the new channels' content and cites quotes from Minister of Broadcasting Steve Maharey and TVNZ CEO Rick Ellis, the most salient point that remains is that Brent Impey regards the use of public funds to establish these channels as somehow unfair or immoral. This overshadows the view that "the government wanted more local content, more diversity and programming and more in-depth style of programmes on the two new channels", and that "the Government wanted TVNZ's public service role strengthened," which were from Maharey's comments. The 'take away' points from Impey's contribution to this text is that the establishment of digital non-commercial public service channels should be secondary to commercial interests, and that funding for the channels reveals 'special treatment' from the government and an imposition on taxpayers. Despite Maharey and Ellis attempting to frame the event as a positive step towards public service broadcasting, the visual devices used in this text result in their frame being overshadowed by one with a neoliberal bias.

Impey's opposition to the funding allocation regardless of its advancement of public service broadcasting confirms a common keyword association that is also evident in some of the other texts:

GOVT'S \$79M FOR TVNZ DIGITAL CHANNELS 'UNFAIR'

The Government will pump \$79 million into TVNZ over six years to set up two commercial-free digital channels, prompting criticism of a “taxpayer-funded bailout”. Broadcasting Minister Steve Maharey announced the move yesterday as TVNZ chief Rick Ellis unveiled plans for the channels, which will be free to air but require viewers to pay \$200 for a decoder. The first, to open next year, will be a 24-hour news and sports station. The second, with a focus on arts, children and families, will begin broadcasting in early 2008. Viewers looking for a boost in local content may be disappointed. Ellis said only about 30 per cent of programmes would be new. The remainder would be made up of material from overseas and reruns of locally produced shows from TV One and TV2. Between 60 per cent and 80 per cent of the funds would end up on screen in the form of programmes and the rest would go in operating costs. Maharey, who described the Government’s cash injection as “a very modest contribution” compared to similar moves in Japan and Australia, fended off criticism that the state broadcaster was getting an unfair leg-up. “I think it is fair for two reasons. One is the Government has put up \$25m for all free to air broadcasters to make the shift on to the new platform,” he said. “The second reason is, of course, that they are a public service broadcaster and we are asking them to do things that are not of commercial value up front. “We want to see risk-taking, innovation. We want to see audiences that are quite small, like new ethnic groups in the country, getting some services.” The Government and free to air broadcasters TVNZ, CanWest, Maori TV, Trackside and Radio New Zealand said in June they had reached agreement on introducing a digital transmission network. They formed a broadcasters’ consortium, Freeview, to build a digital television network with the \$25m committed by the Government. Digital television will go on air next year and the existing analogue transmission will be switched off in the next six to 10 years. The rollout of free digital television will mean clearer pictures, better sound quality and interactive features, but concerns have been raised over whether the content will be enough to persuade people to buy set-top decoders. Brent Impey, chief of CanWest, which owns Tv3, accused the Government of creating an uneven playing field. “The Government is playing favourites by basically bailing out One News,” he said. “What we’ve got is a situation where the taxpayer is providing funding to subsidise a failing commercial business.” TVNZ said its transition to digital with the new technology involved, would benefit its entire operation. Impey said CanWest was focused on the high-definition aspects of digital television, and the decision to pour millions of dollars into TVNZ raised questions over any commitment it might make to additional channels. Ellis disputed allegations that TVNZ had had an “easy ride” from the Government. Questions were raised yesterday over how the two new channels would be funded once the Government money ran out. Ellis said TVNZ was looking at a range of methods, but declined to elaborate. “This is about offering additional, compelling content to New Zealanders to encourage them to go and buy a \$200 set-top box so we can move the whole obsolete analogue transmission system to a digital one,” he said. The announcement of the cash injection comes just two months after it was revealed TVNZ put itself into debt to pay a \$70m special dividend to the Government. Maharey said the timing was coincidental. The two new TVNZ channels have been provisionally named News 24 and Home. The news channel would provide “a New Zealand would view through relationships with international partners”, including Australia’s ABC, PBS in the United States and the BBC in Britain. The Home channel would run 18 hours a day, seven days a week. The children’s strand would focus on pre-schoolers and carry 15 per cent new local content, compared to 30 per cent each for the families and arts strands. The head of the school of political science and communication at Canterbury University, Jim Tully, said private broadcasters would find the fresh funding for TVNZ to be “very unfair”. He said it would be difficult to make the two new channels self-funding within six years. “You would hope they would want to achieve as much fresh material as they possibly could and as little recycling as they can,” he said.

- THE PRESS, pA7, 15 November 2006

The choice of descriptor used to indicate 'where the money came from' is of key importance to the framing of this issue. If the source of the money is described as being 'the government', it places distance between the reader/viewer and the amount cited. If the source is described as being 'the taxpayer', the reader/viewer is immediately implicated in the amount cited and with the initiative to which the funding is allocated. This is a narrative device designed to build rapport with the reader/viewer and encourage engagement with the text. In this instance, however, the term 'taxpayer' is used not to create rapport between the reader/viewer and the government. Instead the terms are distanced from each other with 'the taxpayer' representing the reader/viewer and 'the government' representing a remote entity. In this way, use of the familiar term 'the taxpayer' resonates with the reader/viewer (i.e. YOU, the taxpayer, are footing the cost for this, rather than the remote term 'the government' i.e. THEY, the government, are footing the cost for this). Repetitive use of the term 'taxpayer' in association with the term 'cost' makes the 'cost' of a venture the major point while the contribution to society the venture may provide is secondary.

The use of the word 'taxpayer' in relation to funding that has been prominently labelled 'unfair' connotes doubt as to the value of services enabled by this funding. Because of this, Maharey goes on the defensive, stating that in fact the amount allocated to TVNZ is actually a 'modest contribution' comparatively (he compares it to similar instances of government funding in Australia and Japan). His emphasis on the funding being 'modest' effectively frames the service as being good value for money. The government pays a 'modest contribution' and in return a public service broadcaster is established. It is interesting to note that while Maharey and Ellis are

ostensibly the primary sources for this announcement and Impey was originally placed as a secondary source whose contribution was a reaction comment, in this article Impey has become the primary source. His reaction comments have resulted in Maharey and Ellis going on the defensive about the funding allocation for TVNZ and the central issue in this article has to do with whether or not the funding represents 'unfair' market distortion.

A number of the texts analysed had headlines or subheadings that made reference to the high proportion of repeat material expected to be broadcast on the digital channels. The focus on the lack of new content is part of a wider frame that questions the worth of the service that is costing 'the taxpayer' \$79million over a six year period. The worth of the new channels is equated with the content they provide, and as such the criticism in the media texts relating to content implies that the channels are not worth the funding they will receive. Overall the coverage of the TVNZ digital channel funding was overwhelmingly in favour of the 'worth' frame, as defined in neoliberal economic terms. Key words that appear throughout the media coverage include 'criticism', 'disappointed', 'cash injection', 'level of new content', 'repeats', 'concerns', 'tempt', and 'lure'. The 'value' perception did appear but it was certainly given significantly less prominence than the more salacious 'worth' frame (given that Impey's comments served as a source of conflict around which to base the narrative). The conflict is also illustrated when considering the comments of news anchors each of the broadcasters' 6 o'clock news bulletins.

TV ONE 6 O'CLOCK PRIMETIME NEWS

Anchor: The Government's giving Television New Zealand almost \$80 million dollars to help launch two free to air digital channels. Media commentators say it heralds a new era in our broadcasting history.

- ONE NEWS AT 6, 14 November 2006

TV3 6 O'CLOCK PRIMETIME NEWS

Anchor: Welcome back. The state-owned broadcaster TVNZ is being given \$80 million more dollars to set up two new commercial free digital channels. One will be a 24 hour news channel, the other will screen family oriented fare. But the owner of TV3 and C4 says the government funding is unfair. Political editor Steven Parker reports.

- 3 NEWS AT 6, 14 November 2006

The TVNZ anchor's script falls into the positive 'value' frame by citing media commentators who say the allocation of funding to launch the two free to air digital channels "heralds a new era in our broadcasting history." In contrast the TV3 anchor's script clearly privileges the 'worth' frame by stating that TVNZ will receive "\$80million *more* dollars" (emphasis mine) and that it's been labelled unfair. The inclusion of the word 'more' implies the broadcaster has already received funding and the use of the word 'unfair' challenges the assumption that public service broadcasting should be publicly funded.

When evaluating the 'worth' and 'value' frames it becomes evident that a key difference between the frames are the differing criteria for evaluating merit. The 'worth' frame is defined in financial terms, while 'value' operates in reference to an understanding of importance. It should be noted that the term 'value' can also be defined in relation to worth and finance. For this purpose of this thesis I understand the term 'value' to be defined in relation to importance. This is an important distinction because at times the two meanings of value are conflated, meaning the understanding of 'value' as a term can be confused. The differing ways of evaluating merit mean that the worth and value frames are in conflict with 'worth' prizing monetary worth over all else and 'value' prizing relative worth over all else. The coverage of the digital channels announcement was skewed toward the 'worth' frame. Most of the texts provided critique of the cost to the taxpayer and implied that

the repeated content meant the channels would not be worth the cost. In contrast, very few texts or sources appreciated the value of the digital channels announcement in terms of creating a media environment that has non-commercial content and a dedicated public service provider.

6.3 Confirmation of TVNZ 7s Cancellation

The third event to be analysed in this chapter occurred four and a half years after the first two. This was a time that questions were being asked about the future of TVNZ's last remaining non-commercial digital channel as it neared the end of its period of funding allocation. A change in government in 2008 meant a National-led government was in power at the time this passage of events took place. As such, the Minister of Broadcasting was no longer Steve Maharey but Dr Jonathan Coleman, and a number of the previous administration's public service broadcasting-related initiatives had been annulled through a change in broadcasting policy direction. While the other two passages of events occurred in a policy-environment sympathetic to public service broadcasting, the environment under which this third event occurred was openly geared toward re-commercialisation. On April 6th 2011, after months of speculation as to the future of TVNZ 7, Minister of Broadcasting Jonathan Coleman confirmed to media that no further funding would be provided to keep the channel on air. Later that same day TVNZ released a press release entitled 'Closure of TVNZ 7', which stated that "transmission of TVNZ 7 will cease at midnight on the evening of Saturday June 30" (TVNZ, 2011) Replacing TVNZ 7 on the frequency would be a delayed broadcast channel called TV ONE plus 1.

6.3a Prominence and Location of Texts

While the majority of the media texts relating to this passage of events were found in the first section of the newspaper, less than one quarter (twenty two per cent) were located within the first three pages of the publications and none made the front page. Coverage from the New Zealand Herald accounted for the largest number of articles, just under half. The Dominion Post and The Press published two articles each, and

the Otago Daily Times one. It should be noted that two of the texts were duplicates and published in more than one publication – the ‘Opinion’ piece written by Minister of Broadcasting Jonathan Coleman was published in both The Press and the Otago Daily Times. A news report by Tracey Watkins was published in the Dominion Post and a shortened version appeared in the Press with a different headline. The Otago Daily Times featured no coverage of the event in the form of a news report. Instead, the coverage took the form of an Opinion piece by Jonathan Coleman, and a column in the ‘Signal’ entertainment supplement where the writer waxes lyrical on why he’d rather watch commercial content than TVNZ 7 content.

Another issue to note is that one of the texts – ‘FREE-TO-AIR TV HAS ALREADY LOST THE WAR’ – was published within the parameters of the collection period for this event in the New Zealand Herald on April 6th. However, it does not mention the closure of TVNZ 7, but focuses on the Commerce Commission’s study into the barriers to Ultra-Fast Broadband in New Zealand. Broadband is perceived as an opportunity for free-to-air broadcasters to challenge Sky TV’s growing dominance. I have decided to involve this text because it refers to the tension between free-to-air and pay-tv digital broadcasters, and raises concerns about the capacity of commercial interests to exert market dominance.

Uniquely, this passage of events did not have any texts on the front page of a newspaper, and has just twenty two per cent appearing within the first three pages. This was also the only passage of events that did not have any television news media coverage in the 6 o’clock news hours. This passage of events also had the highest proportion of headlines with ‘Small’ or ‘Medium’ sized font – seventy eight per cent of the headlines fell into one of these two categories, while just one headline could be considered ‘Large’ and only one could be considered ‘Extra Large’. Few

visual devices were employed to call attention to the texts – no lift-out quotes were used, and the majority of pictures used were tightly cropped headshots of relevant players such as Sky TV CEO John Fellet and Minister of Broadcasting Jonathan Coleman. One text was positioned next to a cartoon of Jonathan Coleman saying to a spectacled man holding an envelope ‘I’ve got a better idea. Let’s close TVNZ and give TVNZ 7 a shot in the arm...’. The lack of prominence given to the majority of these texts is evidence that the event was not deemed especially newsworthy by the mainstream media. This could have been because the announcement had been preceded by much speculation as to the future of TVNZ 7. Jonathan Coleman had already indicated that TVNZ 7’s closure was likely to be the outcome and had already ruled out providing extra funding for broadcasting in general. For this reason the event was probably not considered ‘breaking’ news. Another reason could be that the Minister did not release a press release as had been done for the other two announcements. Rather, he confirmed the decision to journalists and TVNZ released a press release that same day. Although the key players in this event are still considered ‘elite’, it is possible that the lack of official Ministerial announcement through a press release had an effect on the newsworthiness and prominence of this event. Incidentally, the lack of prominent coverage was probably intended by the National-led government. They would have wanted to downplay the decision as much as possible so as not to attract too much public criticism.

6.3b News Sources

As far as sources go, while some of the names have changed, the elite positions have not. The primary source of much of the information is still the Minister of Broadcasting, Jonathan Coleman. Familiar secondary sources include TVNZ CEO Rick Ellis, and broadcasting spokeswoman for the Opposition Labour’s Clare Curran.

New sources utilised in the media coverage of this passage of events include Sky TV CEO John Fellet, Think TV executive director Rick Friesen, Screen Directors Guild of New Zealand president Peter Bell, and TVNZ 7 programme hosts Russell Brown (Media7) and Greg King (Court Report). In total the number of sources cited in these news reports is eight.

6.3c News Frames and Narratives

The media coverage surrounding this passage of events consists of a series of news reports that announce the decision to close the TVNZ 7 along with justifications and condemnations from key sources. Media coverage then moves on to a series of opinion pieces that justify why or why not (but mostly why) the decision to cancel TVNZ 7 was the right one to make. The following text is an example of the rhetoric and catch-phrases used by primary source Jonathan Coleman in justifying the Government's decision:

AXE FALLS ON LAST PUBLIC SERVICE CHANNEL

Locally made shows will have to vie for money through NZ on Air pool

Television New Zealand's foray into non-commercial public service channels is being canned by the Government with the closing of TVNZ 7 when its funding dries up in June next year. TVNZ 7 shows such as Media7, Back Benches, Talk Talk and The Court Report will then have to contest for NZ On Air funding if they want to continue. The previous Labour-led Government introduced the TVNZ charter and digital channels TVNZ6 and TVNZ 7 with public service focus, but the present Government turned TVNZ6 into a commercial channel and is in the process of axing the charter. The Cabinet has decided not to renew funding for TVNZ 7, which costs about \$15 million a year to run. TVNZ chief Rick Ellis said that in the absence of continued funding, "we will be closing the channel". Labour's broadcasting spokeswoman, Clare Curran, said the future of public broadcasting was "dire". "What will happen to those great programmes? TVNZ 7 is a new digital channel. It's where the Government should be investing. "It's cheap, quality content for New Zealanders made by New Zealanders." But Broadcasting Minister Jonathan Coleman said the Government would still support New Zealand-made shows through the contestable NZ on Air pool. "If you look at the way people are watching TV, they're assembling their content from everywhere... downloading it through the internet. That's going to be the future of TV. "Sinking money into a public broadcasting infrastructure which continues to suck up money in the long-term doesn't make sense... It's important to fund the content, not some monolithic public broadcaster." About 20 to 30 staff work directly or indirectly on TVNZ 7, but it is unknown how many jobs will be unknown how many jobs will be

lost, as staff may be redeployed into other areas of TVNZ. The pot of NZ On Air funding for television shows is not expected to change. Last year it was \$81 million. Russell Brown, who hosts Media7, said he was hopeful the show would survive, but capping NZ On Air funds meant a show could get the green light only at the expense of others. “You’ve now got a crop of shows that are really starting to hit their straps. They’ve matured. “It’s an unfortunate time to be killing off a channel that developed them.” Lawyer Greg King, who fronts The Court Report, said the decision was “really disappointing”. Dr Coleman said the Government had no new money, and a channel that pulled in about 207,000 viewers a week –compared to the 600,000 people who tune in nightly to One News – was not a high priority. “I think the public get that there are a whole lot of ‘nice to haves’ which the country can no longer afford.”

- NEW ZEALAND HERALD, pA7, 7 April 2011

In the preceding news report, published the day after the closure of TVNZ 7 was confirmed, Minister of Broadcasting Jonathan Coleman is quoted using a series of phrases that associate public service broadcasting with financial wastage. Terms like “sinking money” into broadcasting infrastructure that will “suck up” money imply that public broadcasting is not ‘worth’ the money spent on it. This in turn raises questions about public service broadcasting’s ‘value’ to society. Coleman dances around the issue of not supporting public service broadcasting by implying that the way it is being provided now is not ideal and is wasteful. He implies that the way his Government has conceived the service (funding content over form) will see public service content generate value for New Zealand while also being worth the money spent. He uses ‘sense’ as a keyword to imply that logic and rationality should be applied to this topic rather than ideological reasoning. By framing public service broadcasting infrastructure as not ‘making sense’, Coleman effectively frames a reality where public broadcasting infrastructure (form) is not logical. He asserts that instead content is that area of importance where funding is necessary, and disparages form as being “some monolithic public broadcaster.” This places public service infrastructure in the role of an inflexible and rigid entity, while content is characterised earlier in the piece as being flexible (to be accessed through multiple technologies and devices).

Coleman's view, as that of a primary source, is given a high level of attention though the wider tone of the article seems sympathetic to TVNZ 7's plight as multiple secondary sources are cited expressing dismay at the Government's decision. The concluding sentences of that article make clear that from the National-led Government's perspective public service broadcasting is not a 'high priority'. Rather, it is a 'nice to have' that is simply no longer affordable. Another New Zealand Herald text from the following day frames the non-renewal of TVNZ's funding in a similar way:

TVNZ SAYS GOVT REBUFFED ITS PLEA FOR 7 FUNDING

The Government rejected a request to renew funding for the non-commercial public broadcasting channel TVNZ 7 because it says that would have sucked money out of NZ On Air and other projects. Broadcasting Minister Jonathan Coleman announced this week that the Government will not renew funding for TVNZ 7, TVNZ's only non-commercial public service channel. It will run until June next year, and then be canned...

- NEW ZEALAND HERALD, pA4, 8 April 2011

Again, by using key words and phrases like "sucked money out", TVNZ 7 is framed as a pit into which money was being thrown but for which no value was returned. In the preceding excerpt it is implied that NZOA and 'other projects' are more important than maintaining a non-commercial public service channel. The inference that public money spent on public service broadcasting is being wasted or inefficiently spent is a recurring frame in neoliberal attacks against publicly funded broadcasters. This frame is succinctly illustrated in an editorial by New Zealand Herald editor Tim Murphy, who writes in support of the Government's decision not to renew funding for TVNZ 7. His editorial is underpinned by the neoliberal assumption that the recipients of government funding must prove the worth of their service in a way that validates its continued funding. The assumption is that if the service is not able to prove its

worth (using commercial measurement indicators) then the government funding is being inefficiently used and should be removed.

POOR TVNZ 7 RATINGS JUSTIFY PULLING PLUG - EDITORIAL
Budget better spent on making good local shows

Two figures juxtaposed explain why the Government was right to stop funding TVNZ 7, Television New Zealand's only non-commercial public service channel. The first of these is the \$15 million cost of running the channel each year. The second is the mere 207,000 viewers a week that it attracts. This really is television for minority interests taken to extreme. By way of contrast, TVNZ's One News attracts 600,000 viewers each and every night. That has not, of course, prevented condemnation of the Government's decision, which consigns the channel to closure in June next year. TVNZ 7 programmes, such as The Court Report, Back Benches and Media7, are said to have reached a maturity that demands their continued screening. But no matter how worthy they may have become, this has not been recognised and reflected in sufficiently strong viewing figures. In any event, such programmes can compete for a share of the \$81 million New Zealand On Air funding pool if they wish to continue. That is as it should be. The NZ On Air commissioning model has proved itself. It is facile to say the TVNZ 7 shows will lose out automatically to reality television programmes and other more populist competitors in such a contest. The current affairs shows and documentaries on the commercial channels prove otherwise. It is in these channels' interest to screen good locally made programmes. It is not in New Zealanders' interests for money that could go towards this to be frittered away on a barely watched channel.

- NEW ZEALAND HERALD, pA24, 9 April 2011

Murphy's editorial is one of many news reports that cited the 207,000 weekly viewership number as the reason why funding for TVNZ 7 should be pulled. This number was later found to be a flawed interpretation of the four-weekly cumulative ratings for the channel. In June 2012, Thompson suggested that approximately 1.6 million people watched TVNZ 7 at least once a month (Thompson, 2012).

Furthermore, the comparison of four-weekly cumulative ratings and weekly or daily viewership is meaningless. Coleman acknowledged the faux pas, but by this time multiple media outlets had reported the figures without checking them, thus perpetuating Coleman's perception of TVNZ 7 as a low rating channel. If Thompson's figures are correct, while the channel was not on par with the mainstream channels from TVNZ or MediaWorks, it was actually attracting viewer

numbers comparable to many Sky TV channels, and publicly funded Maori TV. The figure is of interest here because this editorial used it to define the worth of TVNZ 7 in the first place. The concept of using viewership figures to justify, or condemn the existence of a non-commercial channel perpetuates the neoliberal tendency to use commercial performance indicators when assessing the worth or value of any media entity. Coleman described TVNZ 7 as “not a high priority” because he perceived its viewership figures to be low. However, one could have argued that TVNZ 7 should have been a high priority simply because it was the only non-commercial channel on offer. This editorial exemplifies the neoliberal bias that framed debates about public service broadcasting in New Zealand at this time. The text implies that the money should be spent on contestable content (the concept of which is more in line with neoliberal ideals that prize the maintenance of market power above anything else). The text also suggests “New Zealand’s interests” are in danger if money is “frittered away” on TVNZ 7. This editorial concentrates on a (flawed) neoliberal conceptions of value is as ‘value for money’ or a ‘good deal’ rather than value added to society. Of the few secondary sources consulted in the news reports of this passage of events, a majority expressed concern that public service content would not be able to be maintained in a digital environment that would soon consist of only commercial channels and media. In his Opinion piece, published in *The Press* on April 7th and the *Otago Daily Times* on April 11th, Coleman waxes lyrical about the Government’s decision to fund content at the expense of form and justifies the decision to defund TVNZ in accordance with a deep frame known as ‘Technological Determinism’.

GOVERNMENT TAKES BROADER VIEW OF TELEVISION

How we view television content continues to change rapidly. Jonathan Coleman explains the Government’s approach to the new environment and how public broadcasting fits into the mix.

The television environment has changed drastically over recent years. There's more content choice than ever before, and at the same time there are greater options for how and when that content is watched. Technology is evolving rapidly, and today's consumer can view a range of content via the internet on mobile phones, laptops and iPads. Traditional one-to-many television broadcasting remains a dominant medium, but is being supplemented by the selection of personalised content from multiple sources, watches at the viewer's convenience. At some point in the future, assembling your own viewing schedule may become the norm, rather than the exception. Today's tech-savvy viewers are already doing this, downloading the audio-visual content they fancy, and watching it at a time suitable to them. Want to watch the latest episode of your favourite overseas programme? No problem if you know how. As the public catch on, broadband speeds catch up, and such approaches become mainstream, we could be witnessing the slow death of one-to-many broadcasting. In such a future, will people still be happy to watch a fixed roster of programmes, delivered by a traditional television channel, at a set time, to a wide audience? With the rise of personalised video recorders you can see the direction things are going. That is why Vote Broadcasting will predominantly fund television programmes, not broadcasters. The Government has a clear commitment to public broadcasting content that informs, educates and entertains but we are wanting to deliver that in a forward-looking manner that fits with how Kiwis of the future will watch their television content. That fits with our support of the NZ On Air model, letting the best projects compete for funding and giving them a chance to make it to screen across a range of channels, and increasingly, a range of platforms. Last year, more than \$81 million of contestable funding was made available through NZ On Air for locally made television. The Platinum Fund, which was launched in 2009, took the old Television New Zealand (TVNZ) charter funding of \$15 million and made it contestable. This funding has so far been prioritised to high-end drama, current affairs, documentaries and special event programming – material that is generally considered to be public broadcasting programming. Programmes that received Platinum funding in 2010 included current affairs shows Q+A and The Nation; Billy, a docudrama on the life of Billy T. James; Wild Coasts, a documentary series on New Zealand's coastlines; Rage, a long-form drama centred on the events of the 1981 Springbok Tour and Descent From Disaster, a documentary series on major New Zealand historical events. The Government's public broadcasting spending also extends to funding Radio New Zealand, community radio and television stations, Maori Television and the Freeview digital television service. The National Pacific Radio Trust and audio-visual archives are also covered by this funding. Including the \$71 million spent on Maori broadcasting through Vote Maori Affairs, the Government spend \$231 million last year on all forms of broadcasting. Of course, the fiscal challenges that New Zealand faces are well known. In this context we are faced with hard decisions across government. In 2006, the previous government allocated TVNZ time-limited funding of \$79 million to establish and run two digital channels for six years to encourage people to make the switch to the digital TV platform Freeview. When, in 2006, Labour broadcasting minister Steve Maharey announced the funding for TVNZ 6 and 7, he stated that it was with the intention that the services become self-sustaining over time. There was no realistic plan for how this would happen and so the National government is now left with resolving the issue. There is no more money available for these channels, but given the technological future, we believe it makes sense to preserve funding for New Zealand content across a range of platforms, rather than redirecting it to maintain a public broadcasting channel. The programmes shown on TVNZ 7 need not disappear from our screens. Rather than get a direct hand-out, as over the previous six years they face a future where they will have to compete on their own merits against other projects to win NZ On Air support. We've been clear that the TVNZ charter needs to go, and we're now just waiting for the second reading of the TVNZ Amendment Act as the next step in its

repeal. We're just being honest, and not trying to pretend that TVNZ is something it plainly is not. While TVNZ may show public broadcasting content, it is more than 90% commercially funded, and has been for years. What material impact did the charter have on TVNZ's viewing schedule? None that is discernible. So there is a clear alignment through our approach to public broadcasting. Leave TVNZ alone to get on with its job as a successful television company, free from the political distraction of a meaningless charter, and spend public money on the best possible content, available when and where Kiwis want to watch it. It is a realistic policy that fits with the future of broadcasting technology worldwide.

- OTAGO DAILY TIMES, p9, 11 April 2011

Coleman employs key words to build his case for funding content rather than form.

Positive words include: change, choice, options, technology, evolving rapidly, personalised content, multiple sources, viewer's convenience, tech-savvy viewers, mainstream, and future. Taken as a list, the key words form a word picture that spells out exactly where Coleman is going. He infers that the direction of technology is determining the direction of policy. While technological development informing and impacting on policy is not unusual, what is unusual is that Coleman seems to imply that the future of content delivery is entirely separate from public service broadcasting. Thus, Coleman justifies the decision to fund content at the expense of form with reference to the technological determinism frame. In doing so he reiterates the Government's reliance on NZOA and the Platinum Fund to provide public service content through contestable funding.

The keyword 'contestable' is used regularly in relation to this particular passage of events. Often used is the phrase 'contestable funding', the word implies rivalry or competition. In the context of New Zealand's neo-liberally influenced broadcasting environment, it is framed as being 'fair' as opposed to non-contestable or direct funding, which is framed as being 'unfair'. The term contestable comes to represent the neoliberal ideal of market freedom, whereby the market decides where funding should be allocated. In fact, this conceptualisation fails to take into account that the

market is already biased towards commercial content and against non-commercial or public service focused content. If this is taken into account, then ‘contestable’ funding can be construed as unfair.

A recurring point in several of the media texts⁵, and which Jonathan Coleman uses in his Opinion piece, is that NZOA will ensure public service content. Coleman points to the contestable Platinum Fund and NZOA funding as evidence that public service content will continue to be available to New Zealanders. Key words used in this regard include ‘contestable’ and ‘compete’. These words are linked to well-known assumption that ‘the best is the most deserving’. What Coleman, and the media reports, failed to acknowledge is that NZOA was a symptom of a commercialised broadcasting industry. The lack of regulation or balance between commercial and public service content makes it necessary to have institutions such as NZOA to ensure local content continues to be made at all. A key point to remember, however, is that ‘local content’ does not necessarily equate to ‘public service content’. These terms are not interchangeable. The media coverage of this passage champions NZOA as ensuring “local content” and “New Zealand-made shows” and “good locally made programmes”⁶. Yet it is not mentioned that locally made content is still subject to the commercial pressures of being broadcast on commercial television channels. The eclipse of ‘public service content’ by ‘local content’ is indicative of the neoliberal bias that influences every part of broadcasting policy in New Zealand today. One secondary source who pointed out the necessity of having a dedicated

⁵ ‘Commercial free TVNZ to get the chop’ – Dominion Post, April 7 2011

‘Axe falls on last public service channel’ – New Zealand Herald, April 7 2011

‘Government takes broader view of television’ – Otago Daily Times, April 11 2011

‘New era in television’ – The Press, April 7 2011

⁶ ‘TVNZ says Govt rebuffed its plea for 7 funding’ – New Zealand Herald April 8 2011

‘Axe falls on last public service channel’ – New Zealand Herald, April 7 2011

‘Poor ratings justify pulling plug’ – New Zealand Herald, April 9 2011

public service provider was Peter Bell, president of the Screen Directors Guild of New Zealand. His view, however logical, was a minority one in the media coverage of this particular passage of events.

TVNZ SAYS GOVT REBUFFED ITS PLEA FOR 7 FUNDING

...The Screen Directors Guild of New Zealand said the end of TVNZ 7 undermined the Government's stated commitment to public broadcasting. "New Zealand will be the only country in the OECD without a channel committed to public broadcasting," said president Peter Bell. "Viewers are assembling content in an increasingly diverse platform environment but without a local channel with a loyalty to public broadcasting aims, there is a huge risk that we not see this kind of programming commissioned at all."

- NEW ZEALAND HERALD, A4, 8 April 2011

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6.4 Conclusion

The framing of public service broadcasting within the digital broadcasting environment is certainly more explicit following the second and third announcements than the first. The fifth Labour government's time in power could be referred to as the triumph of rhetoric over reality. Certainly, the rhetoric used in the media coverage gave the impression that Labour was committed to the long-term facilitation of public service broadcasting in the digital environment. In reality, a failure to sufficiently ring-fence its public service initiatives against the future actions of a hostile government resulted in their total removal. The dominant narratives relating to the Freeview announcement relate to the concepts of opportunity and challenge. While primary source Steve Maharey framed the announcement as an opportunity for a multitude of reasons (better reception, better picture quality, more channels, possible interactive services), other sources and the media themselves also focused on the perceived downsides of the announcement, which were that the digital switchover would come at a 'cost' to 'taxpayers' and 'consumers'. The texts analysed were relatively evenly split between the narratives, however overall the dominant frame

that can be identified here relates to Maharey's conception of the Freeview announcement as a positive opportunity for the future. Maharey and Ellis' status as elite primary and high secondary sources respectively, lent them credibility within the media texts, resulting in their frame coming through most strongly. Maharey's focus on the possibilities for broadcasting in the digital era included a brief mention of new ways to deliver public service broadcasting. For this reason, although it was not explicitly promised, the beginning of the digital era looked positive for the development of public service broadcasting.

The frames associated with the announcement of funding for TVNZ's non-commercial digital channels derive from key narratives in the texts about worth and value. The funding announcement for the digital channels was framed as an opportunity for public service broadcasters but this rhetorical opportunity was underpinned by the economic reality that the digital channels were designed to accelerate the digital switchover. Instead of being created solely in the public interest, the driving force behind the establishment of the channels was actually the need to achieve seventy five per cent penetration of the digital television audience before the cut-off date for the digital dividend. In this sense, the public service function of the channels was secondary to their role in the switchover. The non-commercial channels were discussed by Maharey in relation to the 'value' frame using key words or phrases associated with public service broadcasting such as local content, diversity, in-depth programming, and wide range of audiences. However, this frame was challenged in media coverage of the announcement which prominently questioned the 'worth' of the channels (as in, are these channels worth \$79million dollars?). This occurred after TVNZ CEO Rick Ellis admitted that a large proportion of the schedule would be repeats. Both of these frames would be

overshadowed at times, however, by Brent Impey's fervent opposition to the funding allocation. Maharey's public service value frame was at times eclipsed by Impey who incited a popular neoliberal line of argument that assumes government intervention in the market is unfair and evidence of 'special treatment'. Impey's assertions that TVNZ was getting an 'easy ride' from the Government were ultimately an argument based on the market distortion concept, and assumed collusion between the Government and TVNZ. Despite the fact that the funding was going towards the establishment of non-commercial digital channels, Impey maintained that the direct funding was not fair. The core of this argument is that it doesn't matter if intervention in the market is in the public interest, the power of the market should be maintained at any cost, and that means either contestable funding where all are given the opportunity to compete or nothing at all.

The frames identified in relation to the confirmation that TVNZ 7 would be closed were shaped by news sources that supported the decision. Only a few of the sources cited in the media coverage strongly opposed or attempted to counter frame the decision (and its representation). This event was given less news reportage than the other events, but what it lacked in news reportage it made up for in opinion pieces. It was from these opinion pieces – two of which were written by Minister of Broadcasting Jonathan Coleman – that the frames became clear. The dominant frame identified was, unsurprisingly, the one used by Jonathan Coleman and the National Government. National is clearly working under a neoliberal influence and the removal of public service broadcasting initiatives eventually included the two non-commercial digital channels, TVNZ 7 being the last to go. At the crux of the frame is the definition of public service broadcasting as a 'nice to have' secondary priority. A series of smaller frames combine to form this larger 'nice to have' frame.

The first of these assumes that money spent on public service broadcasting infrastructure is wasteful, and that the Government should spend its apparently limited funds on content. The second assumes that publicly funded entities must prove their 'worth' by meeting commercial performance measures (this frame therefore assumes that proving 'worth' is more important than demonstrating 'value' in terms of social wellbeing or public interest). If these measures cannot be adequately achieved or maintained then this is proof of inefficient use of public money and the funds should be removed. The third assumes that technology is moving at a rate that renders the funding of broadcasting infrastructure obsolete. Limited funds should therefore concentrate on content administered through NZOA. The fourth assumed that NZOA could adequately provide for the public service needs of New Zealand even though the television broadcasting environment was becoming almost totally commercial in character.

Overall the frames identified during the course of this analysis have provided insight into the different evaluations of public service broadcasting for the short period that free-to-air digital broadcasting was operative in New Zealand.

Chapter 7:

Conclusion

Early broadcasting in New Zealand reflected the national tendency toward state control and government intervention. The radio broadcasting industry was regulated within years of its experimental beginnings in the 1920s, and after nationalising the service it was brought under Crown ownership and administration in the 1930s with the Minister of Broadcasting having final say over content. State control of the service was maintained throughout the 1940s and 50s, despite the introduction of public service principles – to inform, educate, and entertain. Pursuit of these ideals was undermined by broadcasting's lack of independence from the government of the day. It could not therefore fulfil the basic public service requirement of being distanced from vested interests. During this time the tendency towards state control of broadcasting was strongly entrenched as the 'norm'. The restrictions that came with state control, such as content censorship and strict programme guidelines reflected the governments' perception of broadcasting at the time. The medium was recognised as a powerful tool for influence, and as such authorities instinctively sought to mute any activity that might challenge the status quo. At the same time, those in power recognised the potential of broadcasting to promote party interests. For this reason too broadcasting was cast in the role of state tool, rather than facilitator of the public sphere. The state control broadcasting model makes it impossible for the media fulfil its role as facilitator of the public sphere. Instead, state control over broadcasting meant that the state 'voice' dominated the airwaves.

The introduction of television saw the beginning of a new period of broadcasting in New Zealand, not only because of the addition of the new medium but also because the state control broadcasting model was tempered by public service ideals. The broadcasting service was corporatised and no longer under direct Ministerial control. In reality, a board was appointed and heavily influenced by government interests. The legislation accompanying the corporatisation ensured that governmental power was not fully revoked. In fact, political meddling in the broadcasting service would continue throughout the 1960s, with commentators labelling this a 'lost decade' for public service broadcasting. The 1970s saw almost continuous restructuring of broadcasting services as Labour and National clashed over how these services should be organised. This period did, however, place a certain amount of distance between broadcasters and the state. This meant that a public sphere could begin to operate, and the expansion of current affairs and news analysis reflected this. This period of public service broadcasting for television was short-lived however, the potentials of this public service model were never fully realised or established and the public service model did not have a chance to become entrenched as the 'norm' as state control had or as the market-led model would. The trend of corporate media ownership was strengthening with major companies in New Zealand transferring ownership from family members to institutional shareholders.

While the state-owned television broadcaster had received revenue from both the public licence fee and commercial advertising income almost since inception, it wasn't until the deregulation of the late 1980s that the industry became fully commercialised. Deregulation was underpinned by an ideological change in direction by the fourth Labour government that saw neoliberalism shape the basis of many of its policies. This was a marked departure from the Keynesian social democratic

principles that had guided public policy in New Zealand since the 1930s. While the reforms were wide spread across a number of sectors, broadcasting was heavily affected. Deregulation measures included, among other things, the removal of limits to foreign ownership and advertising restrictions. This allowed transnational media conglomerations to gain a foothold in national media markets. The deregulated market-led approach signalled a significant change in the direction and purpose of television broadcasting. Its overwhelming commercialisation has created problems for the mediated public sphere.

While state control obviously threatened the public sphere due to restriction of content and censorship, unrestricted commercialisation creates another set of problems. In a deregulated media environment television broadcasters are not required to produce content that serves the public interest or minority perspectives. For those who are commercially focused the purpose of broadcasting is to make a profit. For free-to-air broadcasters, this is done by courting advertisers who are attracted by high ratings and large audiences (with disposable incomes). Therefore, in order to make a profit, broadcasters must target their programming to appeal to as many people as possible. While this may serve those in the mainstream, individuals who are not served by mainstream content become marginalised. Further to this point, content offered by commercial broadcasters to the mainstream audience may serve their needs as consumers, but may not serve their needs as citizens. Thus, although there may be plenty of 'choice', the public sphere may be restricted. This time, it is restricted because content that serves the needs of citizens may not be commercially successful. Consequently, commercial broadcasters will be reluctant to place it in their schedules because of the opportunity costs incurred by broadcasting non-commercial content. This means that non-commercial content is marginalised in

the commercial broadcasting environment. Citizens are thus unable to access information that is in the public interest. In sum, during the period of state control the public sphere was restricted as the authoritative 'voice' of the state overwhelmed all others. During the period of commercialisation the public sphere had been restricted as advertising-driven programme content pushed 'public interest' content out of the market.

Television Broadcasting and the Beginning of the Digital Era

The establishment of free-to-air digital television broadcasting in New Zealand occurred within the context of a market-led broadcasting industry that accepted neo-liberal ideology as the status quo. This had created an environment where the provision of public service content was a constant struggle. The switchover from broadcasting on analogue to digital frequencies presented opportunities for a new direction in broadcasting policy and broadened the potential range of content provision. The non-commercial digital channels established by TVNZ with funding from the government are an example of how the new environment may be utilised to extend the range of programme content provided. However, the story of the channels can also serve as a case study of how the neo-liberal ideology shapes broadcasting policy and the broadcasting environment. In short, neoliberalism precludes the provision of non-commercial or public service content to New Zealand citizens. In this thesis I have now demonstrated how the establishment and eventual discontinuation of the TVNZs non-commercial digital channels occurred within the wider political economy of television broadcasting. TVNZ's non-commercial digital channels were conceived and established as part of the Government's digital switchover undertaking. Having committed to supporting the digital free-to-air broadcasting platform Freeview, the next step was to encourage uptake of this

service in order to accelerate the transition to digital. The switchover from analogue to digital could not begin until at least seventy five per cent of the population was accessing television through digital technology. When Freeview was announced, pay-tv broadcaster Sky Television was the only digital television provider in New Zealand. TVNZ's digital channels were to act as an incentive for viewers to make the switch to digital. In addition to this, the channels were included as part of attempts by the fifth Labour government to redress the imbalance between public service and commercial imperatives within the broadcasting environment. In exchange for public funding amounting to \$79million dollars over a six year period, TVNZ was to ensure the channels would be non-commercial. Eventually it was specified that in addition to being non-commercial the channels would also fulfil a public service role in relation to the content they would broadcast. While Labour's public service initiatives were high profile, in hindsight they were found to be largely cosmetic and failed to address the underlying condition of the market-led commercial environment itself. By failing to appropriately ring-fence funding and by not legislating to ensure the future of these initiatives, Labour made it easy for the next National-led government to erase them all. This returned the television broadcasting market to a state of almost total commercialism. The only national broadcaster in the New Zealand market not driven by profit is the Maori Television Service. Its priority mission statement focuses on the promotion of Maori culture and language. This is protected by legislation and a Treaty of Waitangi-related Privy Council ruling.

Having been established during the fifth Labour government's final term in office, the digital channels both ceased broadcasting during the fifth National government's first term in office. The National-led government came to power at a time when the digital switchover process was well under way. Freeview uptake was growing, as was Sky

Television's subscriber base, meaning that increasing numbers of New Zealand households were turning to digital. For this reason, when questions were raised as to the future of the digital channels, the National government was clear that maintaining them was not a high priority. National had undertaken a comprehensive removal of the public service initiatives implemented by Labour, the most high profile of which was the removal of the TVNZ Charter. National had criticised the Charter as being ineffective. Thus, the state-owned broadcaster was returned to its pre-Charter state with its first priority being profit generation. By this time it had been acknowledged that TVNZ's non-commercial digital channels had been picking up the slack of TV One and TV2 in terms of providing public service content. However, the Government was quick to point out that the non-commercial channels were established with the expectation that they would become self-sufficient yet had never done so. In 2010 it was announced that TVNZ 6 would cease to broadcast and was to be replaced with a youth-oriented commercial channel. This raised the question as to what would happen to the remaining non-commercial channel, TVNZ 7, when its allocated funding ran out. While Minister of Broadcasting Jonathan Coleman publicly stated that he was open to the channel remaining on air, he also made it clear that no further government funding would be forthcoming. TVNZ responded that should no government funding be forthcoming the channel would be closed. Despite a lobby campaign to save the channel, TVNZ 7 ceased broadcasting in 2012. The events that occurred around the time of the closure of the non-commercial channels make it clear that despite the opportunities for expanding the range of content provision made possible by the switch to digital broadcast, the provision of non-commercial content will continue be as difficult as it became during the analogue era.

The events mentioned here are in fact symptoms of an underlying process whereby neoliberal ideology reshaped the broadcasting environment. This occurred, firstly, because Labour's poor management of the TVNZ Charter meant it was easy for National to build a case against it. While the initiatives established by Labour seemed drastic, this was only in comparison to the period of extreme neoliberal commercialism that had come before it. In fact, Labour's initiatives didn't seek to change the environment, only add on some public service objectives to what was the status quo. It is widely acknowledged that the Charter was ineffective because the funding provided was insufficient to off-set the opportunity costs for TVNZ, and because TVNZ was still required to function commercially and pay a dividend to Treasury. These requirements undermined TVNZ's public service role. The dual remit of the Charter combined with lack of sufficient funding or clear priorities meant it was destined to fail. This failure can also be linked to Labour's reluctance to introduce regulations for broadcasting and converging communications industries. By singling out state-owned broadcaster TVNZ to bear the brunt of the public service objectives Labour effectively allowed the rest of the market, and Sky TV in particular, to develop uninhibited by regulation. National is similarly reluctant to impose regulations on the industry, though this is no surprise as they have been wide open in this regard.

Under National Sky TV has continued its dominance over the broadcasting market and expanded into online and mobile content provision. TVNZ has engaged in a series of commercial relationships with the pay-tv operator and has just launched a joint venture in a low-cost digital set-top box which rivals Freeview. Despite initially championing the Freeview platform, it seems that TVNZ is now focused on creating diverse income streams and gaining a foothold in the pay-tv market. In order to do

this, a commercial relationship with Sky is necessary. Over the past few years TVNZ has launched two channels to be broadcast exclusively on Sky's platform and justifying these moves by stating that broadcasting them on Freeview was not commercially viable. In other words, Freeview is not a priority in TVNZ's plans for the future of digital content provision. The joint venture, named Igloo, requires TVNZ to go in direct competition with Freeview for the low-value end of the digital market. While Sky may have tied up those viewers who are willing and able to pay a monthly subscription fee, Igloo is aimed at those who are positioned within Freeview's share of the market. In this sense, the government is clearly happy to create relationships with commercial broadcasters despite these relationships being potentially detrimental to the future of free-to-air digital broadcasting. National's reluctance to regulate the industry was made clear when it aborted a planned regulatory review in 2009, even though the process had been started and funding allocated. Under National the number of commercial relationships between government interests (such as TVNZ) and commercial interests (such as Sky or MediaWorks) increased. Furthermore, there are examples of government intervention in the market that in effect worked against the public interest in the long run. These interventions included persuading TVNZ to allow TVNZ 6 and TVNZ 7 to appear on Sky's digital platform free of charge, creating a special deal for Sky with Kordia in exchange for Sky allowing Prime to appear on Freeview, and allowing MediaWorks extra time to pay the balance on the cost of renting broadcasting frequencies (essentially a loan from the government to a foreign owned commercial broadcaster). Minister of Broadcasting Jonathan Coleman cited cost as a key reason TVNZ 7 couldn't be saved – that the government had no further money to allocate toward public service broadcasting. This kind of broadcasting was a 'nice to have' at a time when it could no longer be

afforded. Yet, this argument was undermined by the controversy surrounding the MediaWorks loan decision. Ultimately the broadcasting market was swamped by the power of commercialism, which the government actively encouraged.

Media coverage and representation of TVNZ's non-commercial digital channels

The framing analysis research presented in this thesis compliments my political-economic account of public the influence of neoliberalism and the bias toward commercial performance indicators was always evident.

The first passage of events, the Freeview funding announcement, produced two major frames that I have called 'Opportunity' and 'Challenge'. The Opportunity frame focuses on the perceived benefits of Freeview. The Challenge frame, however, focuses on the perceived negative aspects of the announcement rather than its perceived benefits. Overall it was determined that Opportunity was the dominant frame within media coverage of the Freeview announcement. It is important to note, however, that the Opportunity frame was relatively narrow in terms of comprehending the potential benefits of the Freeview digital platform. Technological aspects were emphasised like better reception for households in isolated areas, clearer picture quality, and the opportunity for more channels. Although the prospect of more local content was mentioned, the idea that Freeview provided an opportunity to establish public service broadcasting in contra-distinction to Sky's pay subscription model was not represented.

In media coverage relating to the second passage of events I developed a set of frames that I have termed 'Worth' and 'Value'. In relation to the establishment of TVNZ's digital channels, the Worth frame focuses on whether the services are 'worth' the funds that are being allocated to it. In this sense, the Worth frame is

linked to finance and evaluates merit on the basis of monetary considerations. An example of this would be questioning whether the digital channels are worth \$79million in funding when a large proportion of the content might be repeats. In contrast, the Value frame focuses on how much 'value' the service can bring to the broadcasting environment and New Zealand as a society. This frame is linked to considerations such as the need for balance in the market between commercial and non-commercial content. Value in this sense is associated with the idea that New Zealand will benefit from having these channels as part of the media-scape. Because each frame evaluates merit in a different way and from opposing perspectives, these frames will always carry different understandings of the broadcasting environment. Many of the texts analysed for the second passage of events were focused on the amount of funding allocated, and whether such funding was 'fair' (given the expected high proportion of repeated content). All of this focuses draw on the Worth frame. The Value frame was definitely not the dominant theme of the two. In comments and discussions within the media texts the Value frame was barely mentioned. Approaching the announcement using the Value frame would have entailed a conception of the media environment as a whole, so that the significance of non-commercial digital channels and content could be appreciated.

The third passage of events concerned confirmation that TVNZ 7 was to cease broadcasting. The frames that emerged reflected the government's open adherence to neoliberalism. Sources who supported the government decision dominated the media coverage with Minister of Broadcasting Jonathan Coleman having two (identical) Opinion pieces published during the course of the data collection period. In a similar vein, an editorial from the New Zealand Herald staunchly supported the non-renewal of funding for the channel. Neoliberal influences can be found when

analysing the frames used during this period. The dominant 'deep frame' is an underlying assumption that public service broadcasting is not a necessity and is of low priority. From this it follows that spending money on public service broadcasting is wasteful or an inefficient use of funds. That there is a limited amount of money that can be spent on broadcasting and there is no need to focus attention on non-commercial administrative forms. Content was chosen, and this choice was justified by the use of a 'technological determinism' frame, which sets advances in technology as the reason behind key decisions made in relation to public policy development. Coleman closely associated technology and changes in consumer behaviour with the need to fund content as opposed to form. According to this frame of thought, technology and changing consumer behaviours will soon make traditional methods of broadcasting redundant, therefore funds should be spent on 'the future' not on 'the past'.

The frames identified during the course of this analysis, when added to the conclusions drawn from considering the political economy of television broadcasting in New Zealand, allows us to evaluate the parameters of the debate surrounding public service broadcasting at the beginning of the digital era. I have assessed the position of broadcasting in New Zealand with reference to five stages of development: state control, public service, commercialisation, Third Way, and re-commercialisation. These stages of development have created, undermined and reshaped New Zealand's public sphere, to varying degrees. With the establishment of a free-to-air digital broadcasting platform and the phasing out of analogue transmission, the New Zealand broadcasting environment is once again undergoing a period of change. While public service optimists hope that it may result in changes for the better in relation to public service broadcasting provision in New Zealand, the

recent rise and fall of TVNZ's digital channels have proven that the provision of non-commercial and public service content in the digital era may be just as difficult as it was in the analogue era. The difficulties do not lie in technology or access. The difficulty lies in attitude. The research compiled in this thesis points towards an endemic lack of support for non-commercial and public service content at the highest levels of government and from both private and state-owned broadcasters. This lack of support has become the norm as New Zealand's broadcasting environment becomes increasingly commercial and as corporate interests become more dominant. The frames identified in media coverage relating to the digital channels illustrate the media's tendency to use a limited range of sources and highlight certain aspects of a story while obscuring others. The dominant frames identified in this analysis were overwhelmingly narrow in focus. As a result, the parameters for debate in relation to public service broadcasting, digital non-commercial channels, and the television broadcasting environment in general were highly restrictive. If the range of debate is narrowed, the opportunity to create change also becomes narrowed and less likely. While supporters of public service broadcasting were the norm pre-deregulation, they have since been marginalised by the dominance of corporate media ownership and commercial culture. In these circumstances, the public sphere will continue to be undermined as commercial interests are privileged over public interests. However, the digital era still presents an opportunity for finding new (or reclaiming the old) ways to sustain public service broadcasting in New Zealand.

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