

Can we trust the digital tooth fairy...?

The diet served up by the media should not just be about what people want but should focus on their needs as citizens living in a democratic society.

So argued Dr Peter Thompson, senior lecturer in media studies at Victoria University and chair of the Better Public Media Trust, in an intriguingly entitled lecture – “The digital tooth-fairy and the importance of public service media”.

Peter painted a picture of the public service media – particularly news media – being in crisis mode and people turning increasingly to new digital media for their information and entertainment. Despite the huge range of new online services giving the impression of infinite choice, many important forms of content were still under-provided. “The digital cornucopia is a myth,” he said. “We can entertain ourselves to death but it is not giving us the public service media that society needs and deserves.”

Public service entails serving the public as citizens, not only as consumers and providing high-quality content that informs and educates, not just entertains. It also requires universal access regardless of ability to pay, catering to all members of society, not just majority demographics, and ensuring there is a robust fourth estate to hold those in power to account.

After 1989 TVNZ became a commercial state owned enterprise and competition from private media like TV3 and Sky expanded. However, even with the support of NZ On Air, this increasing commercialisation saw an overall increase in imported content and a decline in some key local genres. The drive for ratings and revenue led to more populist news and current affairs, and a dearth of other quality, locally-made programmes, Peter said.

In 2003, under the Labour-led Government, TVNZ was given a public service charter. However, it remained primarily a commercial entity, with 90 per cent of its income dependent on advertising. This arrangement saw TVNZ paying out more in dividends than it received to deliver the charter. “The government was literally giving TVNZ money with one hand and taking it back with the other,” Peter said.

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Investment in ultra-fast broadband

When National returned to office in 2008, its focus was a \$2 billion investment in a fibre-optic network for ultra-fast broadband (UFB). “The UFB project is important but it has a different philosophy from public service broadcasting. UFB is about enabling people to select their own media content and information across a range of platforms. National claimed that funding public service institutions was no longer relevant in the digital media environment. NZ On Air was expected to compensate for commercial market failures by funding quality



local content on a platform-neutral basis. However, NZ On Air requires cooperation from broadcasters to air funded content. Without a public service channel, the commercial schedulers have gatekeeping power over NZ On Air. If something looks commercially risky, it will be very hard to find a broadcaster willing to air it," Peter said.

At the same time, new services like Netflix have emerged, creating intensified commercial competition. "But Netflix, though cheaper to subscribe to than Sky, provides no local public service content."

Newspapers are also losing hard copy sales but are failing to maintain online revenue as advertisers increasingly use Facebook and Google. The result has been cuts to news budgets, journalistic redundancies and a stronger focus on populist news driven by online audience metrics.

RNZ's budget was frozen from 2008 to 2017 and was expected, at the same time, to expand online.

All these developments had created an unprecedented crisis in our media ecology, Peter said. "The digital tooth-fairy has proven to be a myth!"

New models for public service in New Zealand

Questioned about what good models of public service broadcasting there were overseas, Peter pointed to RTE in Ireland, which gets half its funding from a license fee, SBS in Australia (a multicultural and multilingual broadcaster), and other models in Scandinavian countries. These all provide useful models which could be adapted to work in the New Zealand context.

Peter sees another way to ensure a quality and diversity of media content is provided. He suggests either a one or 0.5 per cent marginal levy be applied across the whole media value chain, including subscription media revenues (eg Sky, Netflix), commercial advertising (especially Google and Facebook), telecommunication retail services and audio-visual retail. This tax would mostly be passed on to the consumer who would barely notice a one per cent increase on these services. The tax had the potential to raise either \$160 million or \$80 million a year. A budget of \$160 million was worth five times RNZ's current budget.

"This money could then be ring-fenced to provide public service media. RNZ's current services could be expanded, with a free-to-air television channel and an online portal for showcasing local content. Its newsroom could be expanded to take on more investigative reporting and in-depth prime time current affairs. Meanwhile, NZ On Air's contestable funding could be extended to support original local content across all genres, including regional and minority content to be carried on RNZ's platforms."

Winter Series co-ordinator **Anne Manchester**