

Last Chance to See? Public Broadcasting Policy and the Public Sphere in New Zealand

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Abstract

The paper presented here is intended to provide an overview of some of the themes and issues linking theoretical and policy debates on media, democracy and public sphere, and to hopefully set the scene for further debate at the conference. The first part of the paper will compare and contrast normative models of media with a particular focus on their implicit conceptions of citizenship and civil society. The second part will map the emergent themes onto the shifts in public broadcasting policy in New Zealand under the Labour-led governments between 1999-2008. This will focus on the policy tensions that surrounded the development and implementation of the TVNZ Charter (which the current government has scheduled for ignominious abolition). The third part will endeavour to extend this analysis to the emergent broadcasting policy trajectory of the current National-led government. The conclusions will highlight the continuing policy salience of the conceptions public service and public sphere in policy debates and argue that even if these models need to be adapted to the digital multimedia environment, it would be premature to dispense with them altogether.

Normative Models of Media

Academic and policy debates about media systems are perennially contentious because even when informed by half a century of empirical research, the implications of that evidence are subject to different normative interpretations and implementations. Arguments concerning how mass media function in contemporary society depend not only on knowledge about their potential to influence the public in ostensibly desirable or undesirable ways, but on the assumptions about the public interest and the legitimate forms society could or should take. Johan Galtung's (1999) model of media and society is a useful starting point for the discussion here (see fig 1 below). He characterises different social systems in terms of the relative priority afforded to three key subsystems, i.e. state, capital and civil society. The institutions comprising these different spheres operate according to distinctive and potentially conflicting 'logics': State logic exhibits a preference for centralisation and control using coercive power, capital logic has a predilection for deregulation and profit-seeking and the expansion of economic power, while civil society's 'people logic' reflects humanistic, lifeworld values and can mobilise moral power. Galtung then places the media system in the centre of these three subsystems and argues that this constitutes a critical nexus through which their relations are shaped: *'Tell me how State, Capital and civil society dialogue with each other and I shall tell you what kind of society you have'* (1999, p.21). The model is evidently simplistic, and one might contend that it overstates the homogeneity and discreteness of the respective spheres and overlooks the potential for internal contradictions or alignments within and between them. Although the model does not provide an explanatory framework for specific social conditions, it nevertheless has two redeeming virtues: On an heuristic level, it invites important questions about the balance of relations among these spheres, and foregrounds the role of media systems in any explanation. Insofar as macro-economic changes since the 1970s have involved a prioritisation of deregulated market forces over national governments and a subordination of public services and welfare provisions to economic imperatives, this is a critical starting point for critical social analysis. Moreover, on an analytic level, Galtung's model recognises that there is a two-way relation between media systems and other spheres of society. The extent to which media systems are subject to the logics and norms of state, capital and civil society not only shape the way the media operate but also the shape of the relations among these respective spheres- there is a reflexive relationship between them. One important implication of this is that the evolving regulatory, financial and institutional arrangements underpinning the media can be regarded as an index of structural reconfigurations of the social totality.

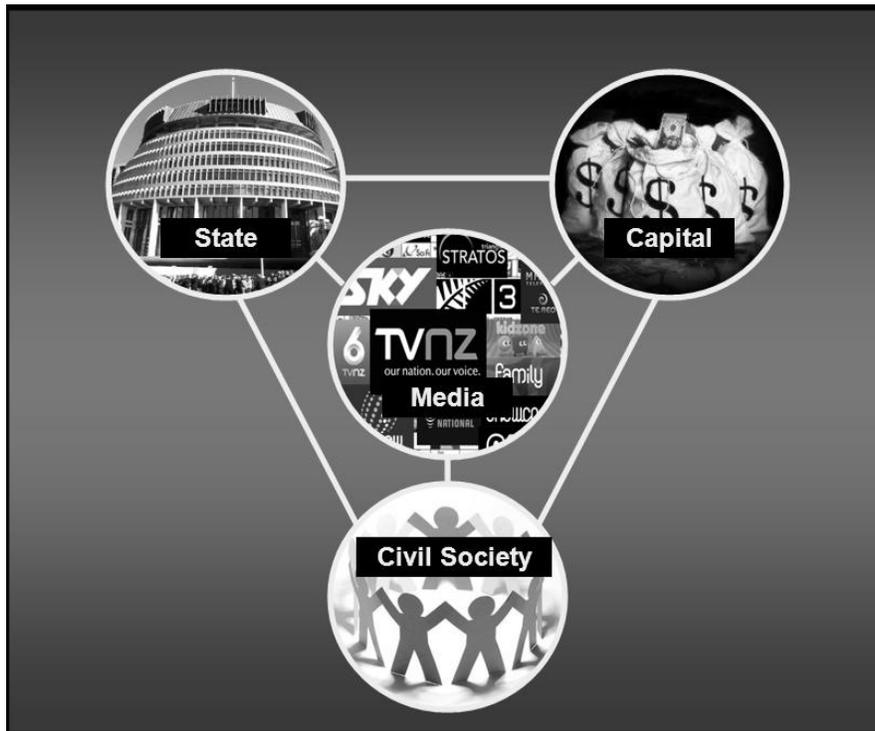


Fig 1. Galtung's model of media and social system

Another approach to normative models of media system stems from Siebert et al.'s seminal 'four theories of the press'. This proposed a 4-part typology of national media system; the authoritarian (state-controlled), the libertarian (free market), the social responsibility (watchdog/ public service¹) and the Soviet (state communist). The limitations of these classifications have been rightly critiqued. For example, they cannot be applied with satisfactory validity to many empirical cases (particularly since the collapse of the Soviet Union) and the typology does not differentiate clearly between different media within any national media system. Hallin & Mancini (2004) have explicitly rejected the four theories model and propose a far more nuanced set of empirically validated classifications for media systems. The improvement in empirical accuracy is indisputable if the aim of the model is descriptive classification. However, consigning Siebert et al.'s typology to the academic dustbin may be premature. McQuail (1994) has suggested extending the four theories further to include a developmental model (state-led media in developing countries) and a democratic-participatory model (grass-roots/public access media). McQuail's rationale is not to compound the analytic incongruity of the four theories but to deploy the extended classifications as normative ideal-types rather than empirical descriptors.

Space precludes a detailed discussion of each model here, but one important issue arising from McQuail's extension is the differentiation of the social responsibility (and public service) model from the participatory model. As will become clear, this demarcates an important 'fault-line' (see Goode, 2005) in the conception of the public and the arrangements through which the media supposedly facilitate the formation of a public sphere. By mapping McQuail's typology onto Galtung's model, the contours of tension among these normative models can be highlighted (see fig. 2). Leaving aside the Soviet and development model in regard to capitalist industrial society, contemporary media policy trajectories can be mapped in respect to the prevailing discourses on the legitimate scope of state intervention, market liberalisation and civic engagement. At the same time, the configuration of relations among state, capital and civil society underpin the particular form of 'policy settlement' (see Flew, 2006) realistically available at any particular historical conjunction. These will naturally vary across societies, but the macroeconomic shifts away from the Keynesian social democratic paradigm towards the Friedmanite neoliberal/ monetarist paradigm in many countries has entailed a redefinition of the relations between state and capital, the social contract between civil society and the state and the relation of the citizen to capital (particularly in respect to trade regimes developed in supranational forums operating beyond the confines of democratic representation).

¹ Siebert et al. did not include a public service model. Although their conception of social responsibility media may not imply the same institutional arrangements as European PSBs, they are suggested as analogous here insofar as they contrast commercially motivated media with those which have a sense of civic duty.

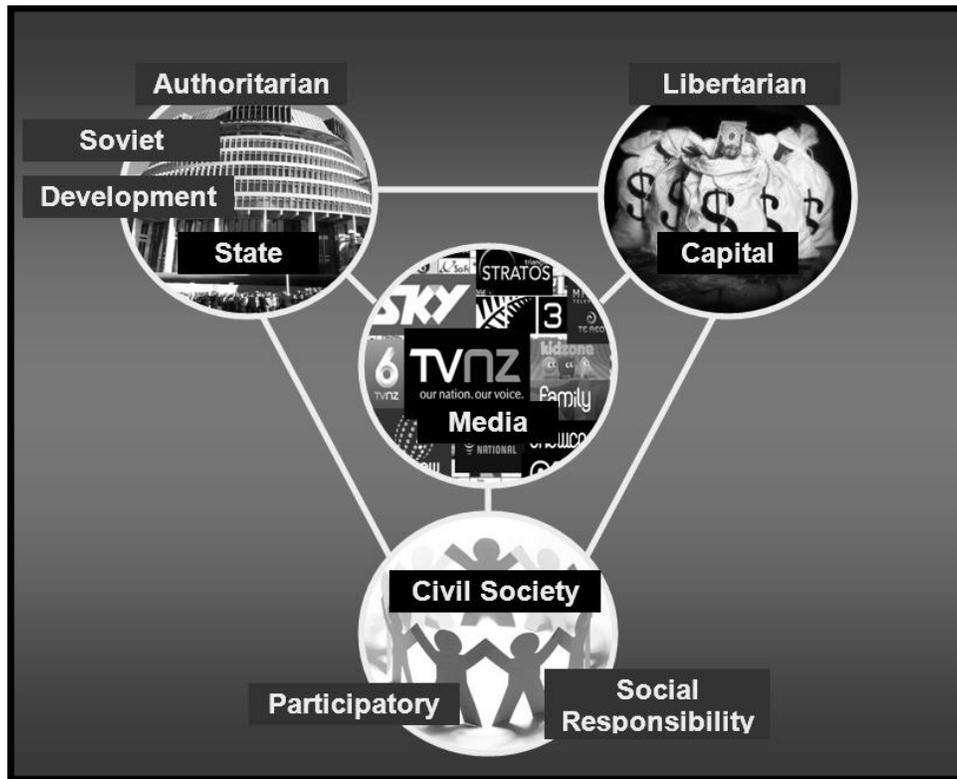


Fig.2 McQuail's extended normative typology mapped onto Galtung's model

These changes have had significant implications for public broadcasting arrangements, not least in New Zealand where the Rogernomics programme from the mid-1980s through the 1990s saw the break-up of BCNZ into state-owned enterprises (SOEs) and the creation of one of the most deregulated and heavily commercialised media markets in the world. As the media's mode of engagement with civil society was shifting in emphasis away from meeting the needs of citizens towards meeting their ostensible demands as consumers (and thereby serving the imperatives of capital), so there was less space for media-facilitated public debate about the neoliberal reconfiguration of society (see Atkinson, 2004; Cocker, 1996; Hope, 1996). That said, it may be overly simplistic to characterise the changes in the New Zealand broadcasting ecology solely in terms of a one dimensional shift from the social responsibility to the libertarian model, reflecting capital's systemic colonisation of the lifeworld. Institutional specifics and countervailing trends must also be recognised. For example, the historical evidence of government interference in BCNZ suggests an undertone of authoritarianism which doubtless helped to legitimate moves toward market liberalism (see Cocker, 1996; Hope, 1996) and which continue to underpin a sensitivity to government involvement in broadcasting within the industry. Furthermore, it was the privatisation of the commercial stations under the Radio New Zealand set-up which ironically facilitated the establishment of RNZ as New Zealand's only dedicated public service broadcaster. These nuances complicate, but do not deny the dominant trajectory toward a libertarian-style model. Indeed, by the end of the 1990s, TVNZ was being positioned for privatisation. This plan was interrupted by the election in 1999 of a new Labour-led government ostensibly promising a return to public service principles (Thompson 2000).

Before proceeding to discuss the broadcasting policies introduced under Labour, it is necessary to clarify the relation between the notions of public service and public sphere. Space again precludes exhaustive discussion, but one issue that deserves highlighting is the conception of the 'public'. As the combined McQuail/Galtung model indicates, there are different ways in which media might claim to serve the interests of civil society. Social responsibility or public service norms implicitly assume media functions that are not reducible to the imperatives of state or capital but adhere to the promotion or protection of the public interest as an end in its own right. However, insofar as such provisions are facilitated through professional institutions, media are not coterminous with civil society. In contrast with the participatory model where direct grass-roots civic engagement in the operation of the media is espoused, the social responsibility/public service model's civic function is ultimately a representative one whereby broadcasting professionals, possibly informed by a statutory remit or Charter, act in the public interest. This is one reason why the traditional Reithian approach to public service provision is frequently dismissed as a condescending, elitist imposition of middle class tastes and values upon the ignorant masses who must be subjected to the educational and informative virtues of public service for their own good.

Historically speaking, such resentment is perhaps justified, but such objections continue to inflect the rhetoric of the political right opposed to public service as a form of state intervention in a commercial market.

On that point, it is interesting to note that Habermas' (1974, 1989) formulation of the bourgeois public sphere has in certain respects engendered a comparable line of critique (see for example, Fraser, 1992; McKee, 2005). Insofar as Habermas overstated the intrinsically progressive nature of the 18th Century coffee house and the role of the (male) merchant class in the formation of civil society, much of this criticism is valid and largely acknowledged by Habermas (see Garnham, 2007). However, it is important not to disregard the historical context of this argument; for all its inequalities, the formation of the bourgeois public sphere nevertheless marked a significant structural shift away from feudalism toward democracy. Moreover, it is important to note that the structural transformation of the public sphere that Habermas (1974, 1989) delineates is an historical process in which the public *qua* civil society and the public's sense of their own interests are continuously renegotiated and rediscovered in an evolving social context (hence Habermas' contrast of the nascent bourgeois public sphere with the liberal model and the social welfare state/mass democracy model). As Habermas comments,

'By "the public sphere" we mean first of all a realm of our social life in which something approaching public opinion can be formed. [...] A portion of the public sphere comes into being in every conversation in which private individuals assemble to form a public body. [...] Citizens behave as a public body when they confer in an unrestricted fashion-that is, with the guarantee of freedom of assembly and association and the freedom to express and publish their opinions-about matters of general interest. In a large public body this kind of communication requires specific means for transmitting information and influencing those who receive it. Today newspapers and magazines, radio and television are the media of the public sphere [...] The public sphere as a sphere which mediates between society and state, in which the public organizes itself as the bearer or public opinion, accords with the principle of the public sphere.' (1974, p.49-50).

The conception of the public sphere as the nexus between society and state bears some similarity to the role of the media system in Galtung's model. Given that Habermas recognised that mediating nexus evolves with society (hence the structural transformation argument), it is clear that the notion of the public sphere never assumed a static or homogeneous historical accomplishment. As with the Siebert et al/ McQuail normative typologies, the analytic utility of the public sphere as a concept lies not in its empirical specificity but as an ideal type. As such, Habermas was right to signal the threat posed by private/commercial interests to the realisation of these ideals. The concerns about the refeudalisation of the public sphere as democratic deliberation and transparency become occluded by public relations are analogous to many contemporary concerns about the erosion of public service by media commercialisation (see Graham & Davis, 1997; Curran, 2000; Davis, 2002; Jakubowicz, 2004; Thompson, 2004; Comrie & Fountaine, 2005; Lealand, 2008). There is certainly scope to draw parallels between the principles of the public sphere and those of public service (see fig.3 below).

Public Sphere Principles	Public Service Principles ²
• Access guaranteed to all citizens	• Universality of reception and audience appeal
• Freedom to communicate opinions on public interest issues	• Diversity of content and voices (including minorities)
• Civic engagement distinct from state and market	• Independent governance and public funding; citizen-focused
• Unrestricted domain of critical-rational debate	• Educate, inform, entertain; Impartiality & comprehensiveness
• Transparency of political process/ deliberation	• Watchdog functions- checks on those in power

Fig. 3 Table comparing public sphere and public service principles

² This is not intended as a definitive set of public service values. Although the ones listed are not contentious, the criteria of public service have been subject to historical evolution and ideological contestation, not least in New Zealand where it has been conflated at different times with public ownership of commercial media and local content provision (Thompson, 2004).

The notions of public sphere and public service are certainly related, but they are not coterminous. As noted earlier, an important fault-line that emerges here concerns the conception of the public, the relation between civil society and the media and by extension, the nature of representation between civil society and the state. Habermas' emphasis on the facilitation of active engagement of citizens in political life through rational dialogue *among themselves* is closer to the participatory model than the professionally-driven public service model; in this sense the formation of the public sphere must be accomplished *by*, not only *for* civil society. However, there is a difficulty here if a precondition of the public sphere is the very engaged rational citizenry that the public sphere is required to facilitate (see Fraser, 1992). Moreover, as Goode (2005) and Garnham (2007) suggest, Habermas' notion of the public sphere is not intended as a programme for radical civic direct action but as a means for discovering the socio-political conditions under which 'solidarity among strangers' might be guaranteed without resorting to political violence. In that regard, the notion of the public sphere is not incompatible with mediated forms of civic representation in the political sphere.

These points need not be interpreted as internal contradictions, however; in line with Galtung's model, the implication is that the form civil society takes is shaped by its positioning in relation to state and capital, the articulation of which in turn is shaped by the media nexus. Thus the form and function of the media system helps to extend or circumscribe the possibilities for civic engagement and the modality of political representation. Importantly, this suggests a need to distinguish between different conceptions of the public beyond the standard citizen-consumer dichotomy. As Winseck & Cuthbert (1997) have suggested, different institutional arrangements simultaneously engender and delimit the scope of democratic possibility. Forms of civic representation within an ostensibly democratic polity are entirely compatible with a heavily commercialised (libertarian) media system. Under a 'limited democracy', public engagement in the decisions that will shape their lives consists primarily of the periodic opportunity to elect who will make those decisions from a narrow range of alternatives pre-defined by the political-economic elite. As such, the potential for progressive social change is minimal. In contrast, Winseck & Cuthbert also posit the notion of a 'communicative democracy' characterised by direct and regular civic involvement in political decision-making and a participatory model of media accountable to civil society, with a higher potential for progressive social change. Between the limited and communicative forms, Winseck & Cuthbert (1997) also identify a 'pragmatic' form of democracy which would allow a moderate degree of civic participation in political process within an elite-led representative polity and media system. However, a key implication of this model is that representative forms of media system, including public service, simultaneously facilitate civic engagement to a degree compatible with the prevailing configuration of relations with state and capital while circumscribing or diluting more radical options for social change.

In practice, most western societies with some form of public service media have fallen somewhere between the limited and pragmatic forms of democracy. Although the potential for new digital media and the internet to enhance political participation in line with communicative/participatory models or facilitate progressive social movements should not be discounted, it is often overstated (for a critique see Hoar & Hope, 2002). The proliferation of new digital media platforms has also allowed the expansion of commercial media interests and created an environment in which competition for revenue intensifies, increasing the opportunity costs for public service provision and amplifying industry demands for deregulation and release from any obligation to serve the public interest in a manner incompatible with maximising revenue. Indeed, one important policy trend is the demands for increasingly specific designations of public service media provisions in order to quarantine their scope of operation and levels of funding and prioritise the rights of private commercial media to expand their operations onto new platforms (Jakubowicz, 2004; Freedman, 2008). The evolving digital media ecology has led some academic commentators to argue that traditional notions of public service broadcasting are either outmoded or no longer politically meaningful (see, for example, Jacka, 2003; Flew, 2006). Although there is certainly reason to interrogate how public service outcomes are delivered in the digital age, there are compelling arguments that the propensity for market failure and consequent need for intervention increases in the digital media environment (see Graham & Davis, 1997).

The democratic potential of digital media developments need to be understood in the broader context of the prevailing neoliberal policy trajectory. Crucially, this has not been fundamentally diverted by the re-emergence of centre-left governments espousing a return to social-democratic principles. In many cases, these administrations have adopted a 'third way' paradigm in which progressive civic values such as public service are openly celebrated but in practice, implemented in whatever policy spaces remain after neo-liberal market imperatives have been accommodated (Thompson, 2000; see also Comrie & Fountaine, 2006). The broadcasting reforms of the three Labour-led governments in New Zealand between 1999-2008 provide an apposite demonstration of this tendency and also serve to show how public service broadcasting and the public sphere have been compromised by efforts to pursue social democratic policy outcomes through market mechanisms.

Normative tensions in broadcasting policy in NZ

The preceding overview of the normative conceptions of media system will be illustrated in the context of the broadcasting policy developments in New Zealand since 1999. As noted, the period from the mid-1980s to the end of the 1990s had seen the emergence of one of the most heavily commercialised and liberalised media markets in the world. Not surprisingly, Labour's plans to reform broadcasting and return to some form of public service provision immediately came under challenge from the private media sector and the political right. Labour explicitly recognised the market failures of a heavily liberalised commercial media sector but its third way approach led to difficulties reconciling public service and commercial media imperatives and its efforts to re-regulate focused primarily on the state broadcasters, leaving the commercial operators largely alone (see Thompson, 2000; Comrie & Fountaine, 2006). Important policy tensions emerged among the Ministry for Culture & Heritage (MCH), the Treasury and the Ministry for Economic Development (MED) which all had rather different priorities for the sector, and these were further complicated by the shifting interests of various broadcasting actors. The centrepiece of Labour's broadcasting reforms was the 2003 restructuring of TVNZ as a Crown Company with a dual remit comprising of a wide-ranging public service Charter and a continuing expectation of commercial dividends. This was accompanied by a government commitment to provide an extremely modest direct subsidy to TVNZ (up to NZ\$15m per year, representing around 4 to 5% of its operational expenses). Importantly, the range of public service functions covered by the Charter extended beyond the local content genres subsidised by NZ On Air, and this was made explicit in MCH advice on the Charter funding to the Minister (Thompson, 2004).

The move to implement even this limited level of direct funding was opposed by several institutional stakeholders. Because TVNZ remained dependent on commercial revenue (90% after both Charter money and content commissioned through NZ On Air) it continued to compete directly for substitutable audience share and advertising revenue. Consequently, its private commercial rivals understandably regarded the direct Charter subsidy as constituting market distortion because, unlike the NZ On Air contestable fund, they were ineligible to apply for a share. Mediaworks (the operator of TV3 and C4 as well as a range of radio stations, currently owned by Ironbridge Capital) was particularly aggrieved. As its (then) CEO, Brent Impey argued, *'Do we really believe the Charter was meant to provide an unfair advantage so the state broadcaster can take local programming from other broadcasters? ... [TVNZ] seems more interested in beating the competition instead of adding to the fabric of New Zealand'* (Impey, 2003). Meanwhile, the independent production sector lobby was concerned about the direct funding for the Charter because they considered this a revenue stream that would be retained for TVNZ in-house productions rather than made available to external bids. NZ On Air, was also privately concerned about the Charter appropriation, because they regarded direct broadcaster funding as an important policy shift away from their own contestable fund model and hence a threat to their institutional status- not least because TVNZ was lobbying to have its contestable fund redirected to Charter functions on the pretext that it was the only television operator with such obligations. Nevertheless, Thompson (2004, 2007) has pointed out that the demands of the Treasury for continued dividend payments meant that TVNZ was literally being given money through the MCH only for the Treasury to claim it back, leaving it with a net subsidy that was actually *negative*³.

TVNZ's performance in delivering the Charter can certainly be questioned. There were undeniably problems with transparency and accountability in the deployment of the Charter funding. Some of the money was combined with NZ On Air funding to fund programme production, conflating their complementary functions. Furthermore, some Charter funds went towards the subsidy of programmes which pre-existed the Charter, which could hardly be construed as extending the range of content. Nevertheless TVNZ did make an effort to produce content consistent with the Charter that it would never have attempted to do as a commercial state-owned enterprise. Programmes like Face to Face, Agenda, Eye to Eye (and the new Q&A) clearly addressed Charter goals, even if they were screened at times where they would pose no risk to the commercial schedule. The coverage of the memorial proceedings for Sir Edmund Hillary, the Maori Queen, and the Unknown Warrior would never have been so extensive without the motivation of TVNZ's Charter.

³ It is interesting to note that while these political tensions were unfolding, the legitimacy of two other public sector broadcasters was left largely unquestioned. Radio New Zealand's direct subsidy (administered by NZ On Air, and at over NZ\$30m, twice the level of the TVNZ Charter subsidy) was not (then) perceived to be distorting the market because RNZ did not compete for substitutable audience share and commercial revenue³. Meanwhile, the Maori Television Service (established in 2003) receives funding from both the Ministry for Maori Affairs Te Mangai Paho (the Maori equivalent of NZ On Air), each worth approximately NZ\$16-17m per annum. Although MTS does carry a small amount of advertising, this represents less than 5% of its revenue (almost the inverse of the TVNZ ratio). However, because MTS's primary function is the promotion of Te Reo (the indigenous language) it is likewise not generally regarded as competing for substitutable audience share and revenue.

Meanwhile, the efforts to harden up the focus of news and current affairs and include more regional and international reporting saw the departures of star presenters and shake-ups in the format, that also led to slippage in the ratings. That loss of market share was met with vehement criticism from the political right and media commentators whose only yardstick of performance was audience share and advertising revenue. In the end, even the government joined in the criticism, and TVNZ quickly realised that failing to deliver the Charter attracted far less political flak than failing to maintain ratings and revenue.

The fundamental problem with the Charter was always the dual remit, by which TVNZ had to deliver the Charter outcomes at the same time as maintaining commercial performance and paying a dividend to the Crown. In practice, this resulted in the Ministry for Culture and Heritage giving it money with one hand only for the Treasury to take it back with the other. Between 2003 and 2008, TVNZ received \$95 million in Charter funding but returned \$142 million in dividends. Even with the availability of NZ On Air funds, TVNZ remained 90% dependent on commercial revenue streams for its operations. Although there are other public service broadcaster arrangements which combine public and commercial revenue (e.g. RTE in Ireland), none have had such a low ratio of public funding. Consequently, the \$15m was never sufficient to offset the opportunity costs and insulate programming and scheduling decisions from commercial pressure and market failure.

On top of this was an unstated third imperative; the implicit expectation of the government that TVNZ, as the centrepiece of Labour's public broadcasting strategy, would help maintain the public credibility of those policies. Apart from the 'no surprises' requirement (which led to tensions between TVNZ's board and management after the messy scandals over its star presenters' salary negotiations and leaks from the Board) this also meant that TVNZ was obliged to play its part in a political charade whereby the government pretended to fund the Charter and TVNZ pretended to deliver it. Thus in addition to the dual commercial and public service remit, TVNZ was also juggling a capricious set of political expectations. By the end of 2005, CEO Ian Fraser had resigned with the memorable lamentation that continuing commercial pressures had resulted in a schedule *'profoundly incompatible with any recognisable model of public broadcasting'* (see Thompson, 2007). The tensions TVNZ was subjected to can be illustrated by mapping these pressures onto Galtung's model (see fig 4 below).

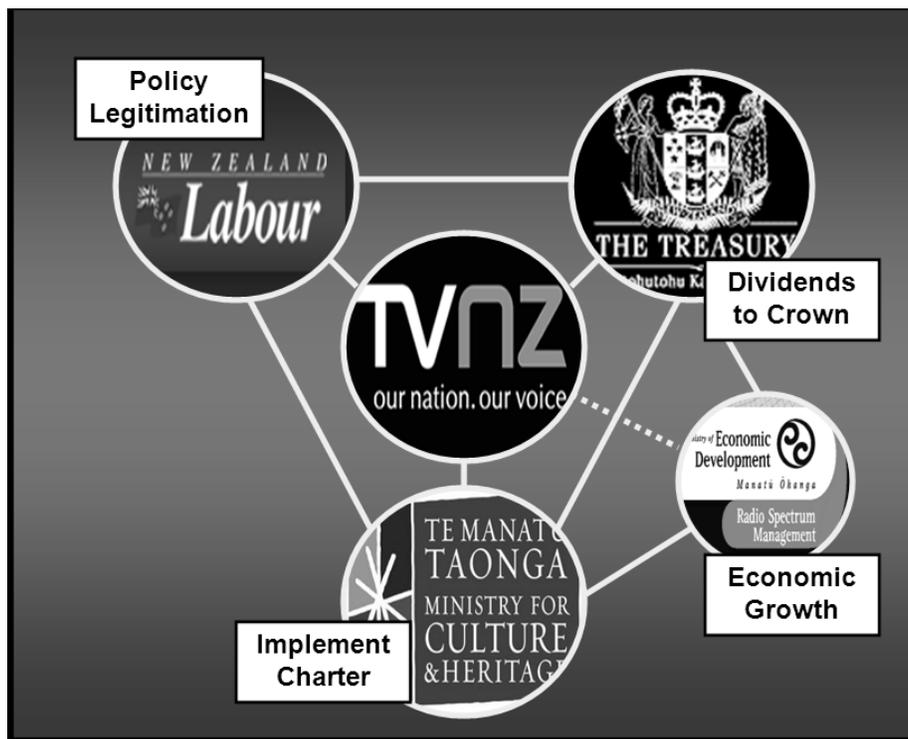


Fig. 4 TVNZ Charter tensions mapped onto Galtung's model

Meanwhile, the challenges to TVNZ's public service provisions continued in regard to digital television. Interestingly, its self-proclaimed mission of 'inspiring on every screen' and extending its services online (and via cellphone) through programme catch-up services (TVNZ Ondemand) has proven to be remarkably uncontroversial in contrast with the concerns surrounding the BBC's expansion of services. However, TVNZ's lead role in the development of the NZ version of the digital Freeview platform has not escaped controversy. The

government regarded Freeview as an important initiative to encourage household take-up of digital reception technology in preparation for the (still unspecified) digital switchover. To this end, it agreed to invest NZ\$25m in supporting the technical infrastructure developments and provide free spectrum licences to operators. However, there was political disagreement behind the government's decision to allocate NZ\$79m over six years to fund its two new commercial-free digital channels, TVNZ 6 and TVNZ 7 and help drive the uptake of Freeview.

Despite the fact that this funding largely comprised the drip-fed return of a special NZ\$70m dividend TVNZ paid to the Treasury as part of a 2006 capital restructuring exercise, different ministerial imperatives threatened to derail the initiative. As Thompson (2007) points out, the MCH supported the subsidy because the commercial-free TVNZ 6 and 7 would enable the development of distinctive schedules to enhance Charter provisions (although the funding streams were to be kept separate). The MED also supported the subsidy, but this was premised on an independent report showing that an early analogue switch off by 2015 would help stimulate the digital media sector representing over NZ\$200m in economic growth. The Treasury, however, initially refused to approve the funding, arguing that it did not regard the investment as good value for money. High level cabinet negotiations and recognition that the TVNZ dividend would decline if it was obliged to subsidise both channels from its commercial revenue eventually pushed the decision in TVNZ's favour. This is indicative of the how the complex institutional tensions underpin policy, but also how the normative pressures of different imperatives for public broadcasting are articulated.

Nevertheless, when the funding decision was announced, it was immediately criticised by Mediaworks which complained that the subsidy constituted market distortion. Brent Impey suggested TVNZ's funding represented 'the use of taxpayer funding to subsidise a failing commercial business- it essentially amounts to a bail-out' (Impey, 2006), while Rick Friesen, the head of TV3, argued that they would have been willing to provide a service comparable to TVNZ 6 and 7 had they been permitted to bid for it (Friesen, 2007). These arguments are significant because they represent a shift in the normative assumptions underpinning the legitimisation of PSM provisions in the private commercial sector. Mediaworks' criticism was aimed at commercial free PSM services on a platform that was still very limited in audience uptake and would not be competing for substitutable audience share or advertising revenue. This suggests an increasing sense of entitlement, implicitly assuming that *any and all* PSM funding distorts the market unless it is made contestable. Interestingly, it is the contestability rather than the actual allocation that appears to be the point of contention- the normative assumption is that unless the private media sector has equal access to any public broadcasting revenues then there is market distortion. By 2008, TVNZ's Charter and public funding arrangements had been roundly criticised by the government, the opposition and its commercial rivals. The government moved to give NZ On Air jurisdiction over the Charter funding, but the subsequent election result took broadcasting policy in another direction.

Broadcasting policy developments under National: Same thing only different?

In November 2008, a new National-led government came into office. It moved quickly to redirect the \$15m Charter funding (which had never been hypothecated in the 2003 TVNZ Act). to NZ On Air, establishing a second contestable 'Platinum Fund' to enable commissioning of more specific PSB-type content (NZ On Air, 2010). This was welcomed by NZ On Air as well the independent production sector and TVNZ's commercial rivals. The Minister of broadcasting has argued that in the digital broadcasting environment, platform neutrality means there is no need for a dedicated PSM provider so long as high quality content is made available (Media 7, 2009). The new fund, however, remains subject to many of the structural limitations of the local content fund in that proposals require an agreement to broadcast and cannot ensure content decision are insulated from the imperatives of commercial scheduling.

Another recent development has been the commercial radio sector's challenges to Radio New Zealand's requests for additional public funding to maintain its services. The government informed RNZ that its funding was to be frozen and would need to deliver more operational efficiency to meet its budget restriction, citing the economic downturn as necessitating austerity. However, RNZ cited an independent report by KPMG (2007) commissioned by the MCH that concluded that RNZ was already highly efficient in its budgeting and was actually chronically under-funded. Brent Impey commented that it was 'galling' and 'outrageous' for a public broadcaster to ask for additional funding while its commercial rivals were suffering declining incomes in a tight economic environment, and suggested that public sector media ought to have their funding cut by 15-20% to level the playing field with the commercial sector (quoted in Drinnan, 2009). Interestingly, these objections are aimed at a heretofore non-contentious public revenue stream which funds a dedicated public broadcaster not competing for substitutable audience or revenue. Indeed, Impey even argued that public service media ought to be *penalised* to help compensate the private sector for the downturn in commercial revenues. Thus the private

media sector is responding to shifts in the commercial value chain by claiming a natural right to priority access to any and all audiences and revenue streams: Public service must stand aside to accommodate the imperative of private capital accumulation.

Meanwhile, the government's Television New Zealand Amendment Bill has scheduled the Charter for abolition in 2010. However, the amendment bill does not return TVNZ to SOE status, and retains some generic PSB requirements including universal service and content range and quality. National has indicated that it wishes to retain TVNZ 6 and/or 7 in some form, but has thus far been unwilling to commit to funding them, and speculation continues about what form this might take. The channels are not currently eligible for the NZ on Air funds and if they move to a commercial funding base, the distinctive character of their schedules will be eroded. It appears that the government does not wish to be seen to publicly abandon any commitment to public service altogether but remains unwilling to either fund or be held accountable for the full range of public service functions required by the Charter. The abolition of the TVNZ Charter certainly represents a serious normative shift and a further dilution of the media's civic accountability. Interestingly, in contrast to the EU scenario where the public service quarantined by increasingly specific definitions of legitimate functions (Jakubowicz, 2004), National's strategy appears to involve circumscription of public service through strategic ambiguity, leaving TVNZ accountable to nothing except the government's transitory policy priorities. There is therefore substantial normative confusion underpinning these policy developments, in part reflecting the same ministerial tensions that underpinned the policy compromises that led to the contradictions of the TVNZ Charter.

National's predilection for a market-driven approach to broadcasting is nevertheless becoming clear in other ways. The government's decision to abandon a major planned review of regulations for digital broadcasting and content appears to reflect an active aversion to investigating policy issues which might demand regulatory intervention in the market, particularly in regard to Sky. TVNZ was encouraged to abandon its long-standing refusal to allow TVNZ 6 and 7 to be carried on Sky's platform. Although this ostensibly increases public value by reaching a wider audience, it also weakens the distinctiveness of the Freeview platform TVNZ had championed as the FTA alternative to Sky. Moreover, TVNZ's recent decision to launch its new archived content channel 'Heartland' exclusively on Sky's platform effectively means that half the households in New Zealand will be disenfranchised from their own televisual heritage unless they subscribe to a foreign pay-TV provider. As John Fellett, CEO of Sky TV succinctly commented, 'This vault of content which includes some of New Zealand's most beloved shows is the biggest untapped resource since the Maui oil fields' (Sky, 2010). TVNZ will profit from the venture, but this move clearly involves the transformation of a public good into a private one.

Conclusions- Last Chance to See?

The normative tensions that have pulled broadcasting policy in New Zealand in different directions are underpinned partly by the alignments and tensions among specific institutional interests in the media ecology, including government, various media/industry actors and different ministerial imperatives. Nevertheless, these developments need to be understood in the context of the social totality. Despite three terms in office, Labour proved unable or unwilling to implement sufficiently bold broadcasting policies to divert the NZ media policy from the neoliberal trajectory of the 1990s. The pursuit of public broadcasting policies within the confines of a third way agenda proceeded on the basis that policy development not aligned to the continued macroeconomic default to fiscal conservatism was effectively not available as a democratic alternative. The prevailing libertarian model of media has not permitted informed public debate around these issues to develop and indeed, served to delegitimize initiatives such as the TVNZ Charter. Without the political will to challenge the neoliberal macroeconomic paradigm, the potential for media policy to foster the development of public service provisions was severely constrained.

Despite expectations that the National government would revert to the wholesale neoliberalism of the 1990s, its stance on broadcasting policy has been rather more ambivalent. The haste with which Labour's policy reforms including the TVNZ Charter and the Review of Regulation for digital broadcasting were abandoned has left the government uncertain of its own policy commitments. Although its default policy perspective will be aligned to neoliberal macroeconomics, there are signs of similar policy tensions of the form Labour found so difficult to manage. There may be little realistic hope that National will commit to any significant form of public service provision other than maintaining the remnants of TVNZ 6 & 7, an under-funded RNZ and the Maori TV service. It is unclear whether National might move to privatise TVNZ if it were to gain a second term in office, but the possibility cannot be disregarded. Such moves would have dire consequences for the future of broadcasting in New Zealand. The notions of public service and public sphere may be unfashionable in contemporary academic circles, but unless critical academic voices are willing to articulate their virtues, then we risk becoming complicit witnesses to their final demise. It may be our last chance to see...

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