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**Commercial Television in Australia: Government policy and
regulation, 1953 to 1963**

by Margot Kerley

**A thesis submitted for the degree of Doctor of Philosophy
of the Australian National University, 1992.**

I declare this thesis to be all my own original work


.....

I would like to acknowledge the always acute and constructive critical comments of my supervisors, Dr Cameron Hazlehurst and Professor Ken Inglis.

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Synopsis

Television came relatively late to Australia, but by 1950 the overriding issue of whether to allow commercial as well as national television stations had been settled in favour of a 'dual system', with reference to the examples of Britain, Canada and the United States.

The Royal Commission on Television was set up in 1953 to determine the residual details. It decided that television could be successfully regulated by the Broadcasting Control Board which had proved itself a capable regulator of radio broadcasting, and that television transmission channels would be licensed to private individuals or companies selected by means of public hearings. Television 'services' would, it was hoped, gradually be extended to all major urban and regional centres in an equitable and orderly manner.

The weaknesses of the Broadcasting and Television Act 1956, began to be manifest from the first round of licence hearings. The Control Board were placed in an increasingly invidious position, caught between the market imperatives which were driving the commercial television industry, and the demands of a bevy of reformers who sought to change programme outcomes to reflect a variety of minority interests.

Despite the existence of an avowed policy of 'localism', commercial licensees were quick to form networks based initially on programme sharing arrangements, but later extended by means of a web of minority shareholdings in regional subsidiary companies.

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Chapter 1. Introduction

Exploring the Options:

From the beginning of broadcasting regulation to the 1954 Royal Commission.

Television, especially for those who experienced the novelty of its beginnings in Australia in 1956, remains a significant symbol of modern civilization. An electronic marvel, the operation of which is understood only by specialists, it epitomises the technical sophistication and the complex inter-dependencies which mark our late 20th century society.

At the same time we take television for granted as a source of our entertainment and information. The term 'TV' is understood to refer as much to the programming as to the hardware which transmits and receives it. Given its contemporary significance, it is difficult to conceptualise television as an artefact, a deliberately fabricated product of a particular historical context.

The essential technical properties of the television medium - the transmission of sound and images through the air to be reconstituted on a receiving device - are capable of being exploited in many ways. Existing television systems are the product of deliberate policy choices by governments and individuals able to recognize and realize the medium's cultural and commercial potential.

The elusive relationship between the physical and technical properties of television, and its social effects, ^{is} are apparent if we consider a few simple aspects of initial contact between television and viewer. In Australia in the late 1950's, the television receiver itself, a top-heavy box on spindly legs, with rounded screen, anodised aluminium speaker grille and chromium-plated knobs, seemed a space-age intruder in lounge rooms.

While television promised new and exciting diversions, many people were unsure about the social conventions of its use - whether the set should remain on when visitors came, whether it was 'right' to have it on all day, whether family meals should be replaced by 'T.V. dinners'. People who could afford it even preferred sets with rosewood or walnut sliding doors to cover the screen when not in use, so that the receiver resembled a cocktail cabinet or buffet and did not disturb traditional domestic aesthetics.

Some conventional patterns of social interaction untouched by radio were challenged by television. When the set was turned on, viewers were instantly aware of the compelling nature of the medium. In darkened rooms, conversation ceased, to be resumed during commercial breaks. Television demanded more attention than radio, engaging sight as well as hearing, but it shared one vital characteristic with the older medium. It remained a one-way channel of communication, from the few to the many. Watching television was an act that underscored the passivity of the viewer as well as his or her position as mute recipient. The ability to turn the set off or to switch between channels only emphasised the negative or limited nature of his or her range of possible responses to the programmes being offered. The common question, 'Can Miss Pat or Mr Squiggle see me?' indicated that children also sensed that some interactive quality, present in the traditional schoolroom, pantomime or even Punch and Judy show, was missing. The anonymity of the audience and its inability to communicate an immediate response, carried the parallel implication that the audience only existed as an image or a statistical table in the minds of producers and presenters. Television did not permit two way communication but was a vehicle for the transmission of illusion.

The television medium does not consist of its technological components alone but is a product of technology and the institutional framework in

which it is embedded¹. In order to understand why television in Australia developed as it did, it is necessary to study the ways in which the government and business sectors of society used this technology and framed it to suit their purposes. While governments sought to create instruments capable of promoting certain desirable educational and cultural goals and to ensure that they remained 'representative' of the widest spectrum of public opinion, at the same time business exploited television broadcasting primarily as a marketing tool, promoting 'entertainment' in exchange for advertising revenue. In this respect the history of Australian television shares themes common to the development of broadcasting in legally and culturally similar societies such as Britain and the United States. Histories of broadcasting in both these countries have documented government attempts to impose controls on broadcast media.² In the United Kingdom control was highly centralised with radio frequencies controlled by the Post Office, and broadcasting by the BBC. The BBC was an independent company established by Royal Charter in 1922³, and granted monopoly powers over radio transmission to ensure centralised, but non-political, control over program content. The development of the BBC under J.C.W. Reith reflected the high degree of consensus prevailing among the governing class at the time about its duty to culturally enlighten and educate the masses and about the high degree of efficiency with which broadcasting could do this.⁴ In

¹Smith, A., *The Shadow in the Cave*, London, 1973, Ch 1.

² Standard works are: for Britain, Briggs, A., *The History of Broadcasting in the United Kingdom*, (Oxford, 1961), See Vol.1. *The Birth of Broadcasting*; and for the United States, Barnouw, E., *A History of Broadcasting in the United States* (3 Vols, N.Y., 1966 -70).

³Briggs, A, *History of Broadcasting*, Vol. 1. p.123.

⁴ Briggs, A, *History of Broadcasting*, Vol. 1, Ch. 5 passim. Governments sought to regulate the broadcast media because they feared their effects on a mass audience. Knowledge of broadcast media effects was initially derived from observations of the impact of propaganda during the 1914-18

Australia such a consensus was never able to prevail in the power play which established the ground rules for broadcasting regulation.

In contrast to the United Kingdom, the dominant American social forms of cultural pluralism and of decentralisation resulted in controls being established only reluctantly and in response to the necessity of safeguarding radio frequencies from interference caused by completely unregulated use. The Federal Communication Commission (F.C.C), was established under legislation designed to preserve freedom of speech, rather than to protect the community from culturally undesirable broadcast matter, and powers to regulate program content were strictly limited. The structure of broadcasting in the United States was determined by, and integrated with, the market economy.⁵

In Australia, broadcasting regulation had its legislative foundation in the 1905 Wireless Telegraphy Act, which placed frequency allocation in the hands of the Postmaster-General. The Wireless ^{Telegraphy Regulations} ~~Agreement~~ Act of 1924 recognised two classes of radio station, those funded out of licence fee revenues, the 'A' class stations, and those funded by advertising, the 'B' class stations. In 1928 the Bruce-Page Government purchased the assets of the 'A' class stations which became the basis of the Australian Broadcasting Commission in July 1932. ⁶ Radio broadcasting in Australia was a 'dual' system consisting of the national network, and commercial stations licensed by the Post Office, which administered the Wireless Telegraphy Act.⁷ The

war. Other cumulative effects only began to be discovered and documented long after the media had become established as part of the cultural framework of society. See Lowery, S. and De Fleur, M.; *Milestones in Mass Communication Research: Media Effects*, (N.Y., 1983), and Williams, R., *Culture and Society*, (London, 1958), Conclusion.

⁵ Smith, A., *Shadow*, pp.98-9.

⁶Inglis, K., *This is the ABC*, (Melbourne, 1983), pp.6-8.

⁷Moyal, A., *Clear Across Australia: A History of Telecommunications*, (Melbourne, 1984) pp.135-40.

ABC never enjoyed the monopoly status or the social prestige of the BBC in Britain. It had to share its audience with the commercial radio networks; and its programming, although often imaginative and of high quality, appealed, in the face of competition from popular commercial stations, to minority audiences, fragmented by taste or sectional interest.⁸ The ABC could not impose cultural standards from a monopoly position and did not reflect any elite or even national consensus about what those standards should be.⁹

Broadcasting regulation in Australia became the subject of political controversy in 1948 when the Chifley Government set up the Australian Broadcasting Control Board with powers to regulate programming, technical and advertising standards and to determine frequencies. The Minister was required to consult the Control Board before acting on these matters. The Liberal Opposition resented the Control Board as a socialist inspired, bureaucratic device for imposing censorship on the commercial radio stations.¹⁰ This charge referred, in particular, to articles in the 1948 Broadcasting Bill prohibiting the dramatization of political or controversial matter of less than five years currency, which originated from the Chifley Government's desire to prevent political vignettes such as the Opposition

⁸See the letter from the Chairman of the ABC, Richard Boyer to Sir Allan Powell, Chairman of the BBC Board of Governors, 12 November 1945, complaining that 'the mass taste' was 'both being fed and conditioned by commercial practice', 'while the ABC had been forced into providing minority listening'; in Briggs, *History of Broadcasting*, Vol IV, p.327.

⁹ Inglis, K.S. *This is the ABC*, provides an account of the ABC's struggle to identify and direct its programming towards perceived audience needs, more pointedly in Ch. 4 'Liberal dilemmas 1945-1956' and especially on pp. 183-186.

¹⁰Curthoys, A. 'The Getting of Television: dilemmas in ownership, control and culture, 1941-56', in *Better Dead than Red*, Curthoys, A. and Merritt, J. (ed.), Sydney, 1986, pp. 127-8.

sponsored 'John Henry Austral' series from being broadcast by commercial networks.¹¹

The political skirmish over the introduction of the Control Board illustrated the polarity of opinion about who should control broadcasting in Australia. The ALP held that commercial broadcasting in general reflected the conservative views of the press proprietors who controlled it; that the commercial radio and the press were not impartial reflectors of public opinion but active manipulators of it. Conversely, the Liberals and their Country Party allies denounced any attempt to increase government control over the media, or to nationalise it, as contrary to the liberal tenet of 'free speech'. Both views attracted dedicated adherents and were at the heart of the debate over television ownership and control.

At this stage it is important to recall that liberal notions of 'press freedom' and its concomitant 'public opinion,' were themselves expressions belonging to a 19th century society that had been transformed, in part by the broadcast media themselves, to the extent that these terms had lost much of their original meaning.¹² In Australia, application of traditional frames of reference to the new medium by politicians and opinion leaders clouded perceptions of its real impact and contributed to the Government's loss of initiative in television policy during the first decade.

The decision by the Menzies Government to introduce a 'dual' system of television in Australia, parallel with that already existing in radio, must be seen against the background of its hostility to the Control Board and to the idea of nationalized media.¹³ That the 'dual' television system policy was not negotiable was apparent when the Television Bill, 1953 (providing commercial licences as well as national stations), was introduced into the

¹¹Inglis, *This is the ABC*, p.132.

¹²Williams, *Culture and Society*, Ch. 2 and Conclusion, and also Lee, A.J., *The Origins of the Popular Press in England 1855-1914*, London, 1980.

¹³Curthoys, 'Getting of Television', pp. 130-32, p. 140.

Parliament on 18 February, before the Royal Commission on Television began deliberations. Explanations for the adoption of the dual system refer to an alliance of interest between Menzies' free-enterprise government and metropolitan newspaper interests opposed to socialism and government censorship on the one hand,¹⁴ and on the other, to the unpopularity of the Chifley government's national television policy with the electorate, together with divisions within the ALP itself on the dual system question, represented by the opposing views of Evatt and Calwell.¹⁵

The process by which the Menzies Government re-formulated its predecessor's television policy was full of cautious advances, hesitations and false starts. It began with a Cabinet decision of 27 June 1950, to introduce television into Australia gradually, starting with a national station in Sydney to be followed by the issue of one commercial television station licence in Sydney and another in Melbourne. Accordingly, in August 1950, a Television Advisory Committee was set up by the Postmaster-General, H. Anthony to co-ordinate planning for television. It consisted of the chiefs of the ABC, the Control Board and the Postmaster-General's Department respectively; R. Boyer, L. Fanning and G. Chippendall. The Committee sent a delegation on a whirlwind tour to Britain, Europe, Canada and the United States between February and April 1951, to study developments there. The delegation consisted of C. Moses, General Manager of the ABC, J. Donovan, Assistant Secretary (Television) of the Control Board, and J. Fisher, Divisional Engineer of the PMG.

The delegation's Report, which was never published, gave the Television Advisory Committee a detailed assessment of the technical and staffing requirements of television and estimates of the costs involved. The merits

¹⁴ Hazlehurst, C., 'The Advent of Commercial Television', in *Australian Cultural History*, No. 2, 1982/3, pp.113-115.

¹⁵Curthoys, 'Getting of Television', p.153.

and disadvantages of the different systems were discussed. The 'public service' rationale of the BBC was contrasted with the situation in the United States where extreme decentralization of organization and control left television essentially a marketing tool. The Report, while not damning the system outright, was critical of the 'uneven' standards of programming on American television, suggesting that this was a result of the FCC's lack of effective regulatory power, and of the rapid increase in transmission hours outstripping the supply of suitable programmes. On the other hand, the Report praised the British system for producing programmes of a more uniformly desirable standard. More significant, given the prevailing condition of economic recession in Australia in 1951, was the fact that the cost of setting up a single metropolitan station was estimated to be £140,000.¹⁶

On 12 November 1951, Anthony considered the Report and indicated to R.G. Osborne, Fanning's deputy on the Control Board, his 'growing apprehension'

as to the effects of introduction of commercial television programmes [also]... the need for minimising the use of manpower and materials in connection with television meant that its establishment should be for the moment delayed pending the establishment of an 'experimental' national station in Sydney.¹⁷

A cabinet submission was prepared on 6 March 1952 which recommended setting up an experimental television station in Sydney with programming to be controlled by the ABC and technical operations by the Post Office.¹⁸ However even this limited commitment, involving the expenditure of an

¹⁶Unpublished Report to the Television Advisory Committee; *Television Investigations in Overseas Countries, February to April 1951*, by Moses, C. , Donovan, M. and Fisher, J., p.133.

¹⁷AA, Series MP 1170/4, (Australian Broadcasting Control Board), TD 2/2 pt1, Summary notes of discussion with Anthony, signed by R. G. Osborne, 12 November 1951.

¹⁸ Cabinet submission, 6 March 1952, signed by Anthony.

estimated £400,000 spread over the 1953/4 and 1954/55 financial years¹⁹ was unacceptable to Cabinet which decided on 12 March 1952 'in the light of economic conditions then prevailing...to defer the introduction of either a National or a Commercial Television Service for the time being'.²⁰

While things were at this low ebb the Control Board continued with the policy development process. On 27 May 1952 it submitted a draft report to the Minister outlining policy options. The Board argued that television could no longer be regarded as being in the 'developmental' stage, the implication being that events had moved beyond the point where an 'experimental' station would be necessary. The report also drew attention to the extremely profitable nature of television in the United States and to the fact that on 16 May 1952 the Churchill Government in Britain had announced that a commercial service would commence there.²¹ After weighing up the merits and defects of the British, Canadian and US systems, (and of course taking into account the Minister's cautious views) the Control Board, newly chaired by R. G. Osborne,²² decided that the balance of preference fell to the dual system. ²³ If commercial television stations were to be licensed, the main problem became one of effective control and regulation. Here the Board envisaged a role for itself, being confident

that an appropriate body (such as the Board) would be able to take satisfactory and effective regulatory measures which would ensure the desired results.

¹⁹ *ibid.*, p.4.

²⁰ Memorandum for Cabinet, 10 January 1953, signed Anthony.

²¹ Control Board Memorandum; 'Operation of Television Services in Australia', 27 May 1952, pp.1-4.

²² Osborne, a lawyer and former Parliamentary draughtsman, had been Acting Chairman since 3 December 1951 (when L.B. Fanning was granted sick leave) and was appointed Chairman for a period of five years from 15 March 1952.

²³ *ibid.*, 27 May 1952, pp. 8-9.

The report suggested that good programmes would be produced by commercial licensees if the Control Board were allowed to seize the initiative and impose positive programme standards from the outset:

It is desired to emphasise that if such control is enforced from the outset, on the basis of suitable standards (similar to those of the National Association of Radio and Television Broadcasters of the U.S.A., with appropriate modifications) which would be discussed from time to time with licensees, the public tastes in this field could be led and not merely followed by commercial television stations and a positive policy could be enforced.²⁴

This prediction was followed by a summary of some persuasive lobbying from equipment manufacturers and the Federation of Australian Commercial Broadcasting Stations (A.F.C.B.S), to the effect that those hoping to invest in television would benefit from an early decision, and that the Olympic Games to be held in Melbourne in 1956 'would provide a valuable incentive for the initial development of the service.'²⁵ The Report concluded that the existing legislative framework for the licensing and regulation of radio broadcasting needed to be amended if the dual policy was to be followed and this should be the basis of all subsequent action.²⁶

Compared with the Television Advisory Committee report of 1951, the Control Board's report of 27 May 1952 reflected an accommodation of the Government's preference for commercial television as well as optimism about being able to enforce satisfactory programme standards on licensees.

Anthony, on the other hand, retained some misgivings about this, as Osborne noted in a record of discussion when the report was submitted:

The Minister agreed that as far as possible the Board should continue to assemble information on the social and cultural effects of television, which he regarded as of great importance in this matter²⁷

²⁴ibid., 27 May 1952, pp.11-12 (underlined as given).

²⁵ibid., 27 May 1952, p.16.

²⁶ibid., 27 May 1952, pp.13-14.

²⁷Control Board Minute, signed Osborne, 29 May 1952.

While Anthony temporised, lobbying from interested parties continued. A.G. Warner, Managing Director of Electronic Industries Pty Ltd., while regretting 'that you were unable to accept my invitation to dinner last Wednesday at which I had the privilege of discussing television with a number of your confreres in the Liberal and Country Parties', presented Anthony with a proposal to erect television stations in all state capital cities without charge to the government; 'Electronic Industries Limited would be prepared for picture theatre proprietors to take one-third interest and Commercial broadcasters another third'.²⁸ In September, R.M. White, General Manager of Melbourne radio station 3AW, wrote to Menzies in his capacity as Acting President of A.F.C.B.S, urging a declaration of Government policy on television to allay the sense of uncertainty besetting the industry. Menzies replied that Anthony was at present visiting the United States and Britain to see developments for himself and that it was 'the intention of the Government to again review the whole position upon his return.'²⁹

The overseas trip appeared to have banished Anthony's misgivings about commercial television. On his return he confided to the Director-General of Posts and Telegraphs, P. E. Vanthoff, that from what he had seen of the British and U.S. television systems, 'the U.S. system is definitely superior'. Furthermore, he thought it was

not necessary for National TV to precede commercial TV in Australia. Commercial TV can start as soon as the selected operators are ready. If they are prepared to spend their money, they should not be prevented.

Vanthoff added: 'The Minister seems to have been most impressed by the TV service at Honolulu.'³⁰

²⁸ Warner to Anthony, 28 August 1952.

²⁹ Menzies to White, n.d. September 1952.

³⁰ Vanthoff to Osborne, 25 November 1952.

Despite what he had said privately to Vanthoff, Anthony's Cabinet submission of 10 January 1953 took a cautious approach to the role of commercial interests, suggesting only

that the first stage should provide for the introduction of a dual national-commercial system in Sydney and Melbourne, with a single Government transmitter in each city from which the national authority and commercial interests would provide programmes for a period of, say, five hours per day, on the basis of equal transmitting time for each.³¹

The idea of the joint use of government owned facilities was rejected by Cabinet which decided on 16 January 1953 to introduce legislation to enshrine the 'dual' policy principle allowing the licensing of commercial stations, and to appoint a Royal Commission to frame the details.³² The *Television Act, 1953* enabling the Minister to establish national stations and grant licences for commercial television stations, was accordingly introduced into the House of Representatives on February 18, and came into operation on 17 April 1953.

The decision to adopt the dual system opened the way for commercial interests to seize the initiative in shaping the television industry according to commercial imperatives. The role of the Royal Commission was at once circumscribed by this decision, a fact which was understood by most of the participants. That the Minister himself did not regard the Royal Commission as a principal architect of policy is apparent from comments reported by Osborne on 10 January 1953:

It would be necessary... to set up some sort of public inquiry, "to act as a safety-valve" in view of the very great public interest in the subject, and the

³¹Cabinet Memorandum, signed Anthony, 10 January 1953.

³²Control Board Minute, signed Osborne, 17 January 1953. It is probable that Anthony, whose private views were much more favourable to commercial initiatives than his Cabinet submission suggests, did not pursue the option of shared government owned transmitters too vigorously.

very lively apprehensions expressed in some quarters, especially religious and educational.³³

The Commission was to deal with ^{remaining} residual issues:

since the major policy measures (e.g. as to the type of services, national or commercial) must be submitted to Cabinet at once and be the subject of legislation to be disposed of in the next session, the matters to be referred to such an enquiry would have to be limited to considering, e.g. desirable restrictions on a regulation of the content of television programmes and how these could be best defined and achieved.³⁴

At the same time Anthony suggested that the Royal Commission be responsible for drawing up a code of programme standards, 'on the lines suggested by Professor Paton.'³⁵

Anthony was referring to a letter written on 4 December 1952 by Professor G.W. Paton, Vice-Chancellor of the University of Melbourne, to Prime Minister Menzies, offering his 'personal view' of the issues surrounding the introduction of television. Paton admitted that he had 'no authority' from the University to advance his opinions and said that he was wary of intervening in 'political issues'. Although he foresaw that commercial television presented regulatory difficulties, he accepted 'the value of competition as a healthy incentive towards providing... high quality programmes,' and suggested that the potential disadvantages of commercial television could be overcome by effective controls. The Broadcasting Control Board would be the most suitable body to administer these. He wrote:

The dangers of a television system which looks to the advertiser rather than to the audience will be obvious...If commercial television is to be

³³ Control Board Minute recording discussion with Minister, 10 January 1953 signed by Osborne. This was the day before Letters Patent appointing the Royal Commission were issued (11 January 1953). See Australian Broadcasting Control Board, Fifth Annual Report, October 30 1953, Australian Government Printer, Canberra, p.11.

³⁴ *ibid.*, 10 January 1953.

³⁵ *ibid.*, 10 January 1953.

approved, then it should function under a Control Board which applies strict rules to prevent the worst abuses, and the lowering of public taste.³⁶

Although Paton was critical of the tendencies inherent in commercial television towards a lowering of standards of public taste, his faith in the effectiveness of regulation provided a way out for a Government subject to increasing pressure from both the Opposition, and influential educated liberal opinion, to justify the licensing of commercial stations.

The attitude of the majority of Australian Vice-Chancellors, on the other hand, was hostile to any form of commercial television. Professor Herbert Burton, Principal of the Canberra University College and its representative on the Vice-Chancellors' Committee wrote, also on 4 December, to the Minister for Territories, Paul Hasluck, reminding him that the Committee had asked the Government to embark on extensive inquiries before initiating any legislation. Burton stated frankly to Hasluck his expectations of such an inquiry's outcome:

I may say that in making this request to the Commonwealth Government the Vice-Chancellors believed that such an inquiry would result in the Government coming to the decision that television would be best developed by a public statutory corporation such as the ABC. They believed, whether rightly or not, that television in the United States has been exploited by private enterprise without due regard to the public interest, and that on balance the British system would be preferred. ³⁷

In the circumstances, Paton's letter could not have failed to suggest that he would be the ideal candidate to chair the Royal Commission. Here was an educational opinion-leader prepared to accept commercial television on the Government's own terms and to provide constructive advice which promised to neutralise criticism of the 'dual' system policy.

³⁶ Paton to Menzies, 4 December 1952, University of Melbourne Archives, Sir George Paton Papers, 1/2/1. *Paton was a longtime acquaintance of Menzies as well as of Sir John Medley and Sir James Darling.*

³⁷ Burton to Hasluck, 4 December 1952, Paton Papers, 1/1/4. A prominent liberal social activist, Burton was a past President of the Australian Council for Civil Liberties.

The Royal Commission's terms of reference were specifically to inquire into and report upon the number of commercial stations to be licensed under the 'dual' system. It was to determine the rate of development of transmission coverage and the conditions to be imposed upon licensees, and it was to frame suitable programme standards. In short it was, as Anthony was reported to have remarked at a private dinner party, 'set up to tell the Government what it knew already.'³⁸

The Commission's membership consisted, in addition to G.W. Paton as Chairman, of the Control Board's R.G. Osborne; N. S. Young, an accountant; C. B. Bednall, Editor of the *Brisbane Courier-Mail*; R. C. Wilson, M.L.C., a member of the NSW Graziers' Association; and Mrs M. Foxton, State President of the Western Australian Country Women's Association. In all, a range of business and conservative country interests were represented. The Minister was represented by Osborne who, on Paton's extended absence overseas, chaired some sessions. A clue to the pattern of relations between individual members is provided by Osborne's comments to Paton in June, 1953 about the progress of the hearings;

After the last Melbourne sittings, and perhaps as a result of several good meals with Wilson and Young, I began to feel relieved about the direction in which we are going as a Commission. No one knows what Mrs Foxton thinks, and I rather feel that neither Wilson nor Young at this stage cares very much what Bednall thinks about the major issues...We continue to be embarrassed by Bednall, who...cross examines crossly, as before, and discloses a patent bias by continual arguments with witnesses...I...anticipate that Wilson, Young and myself will... come down in favour of recommendations for the commencement of television services (national and commercial) on a limited basis.³⁹

³⁸ Osborne to Paton, 23 June 1953, Paton Papers, 1/1/3.

³⁹ Osborne to Paton, 23 June 1953, Paton Papers, 1/1/3. Ann Curthoys states with regard to the Commission's members; 'It was in no way a distinguished group, only Osborne being able to claim any previous experience in matters affecting television. With Wilson, Young and Bednall all involved, commercial interests were guaranteed a sympathetic hearing. It was a commission that could be trusted not to report in an

The Royal Commission began its first session in Melbourne on 23 February, 1953. It examined evidence from representatives of 122 interest groups and industries at 34 public sittings, and its Report was submitted on 20 February 1954. Although the vital decision to license commercial television in Australia, had already been made, the Royal Commission still had important judgements to make on ^{the remaining} significant policy issues.

The leading items on the Commission's agenda were to determine how many television stations were to operate as well as where and when they were to be established. In proposing initial answers to these questions, the Commission adopted some aspects of the foreign models it had studied, and rejected others. These choices were ^{of} second ^{and} ~~in~~ importance ~~only~~ to the decision to adopt the dual system itself.

Firstly, the Commission concluded that television transmissions should be confined to the Very High Frequency (VHF) area of the broadcast spectrum. Essentially this meant that only about seven channels would be available for television stations instead of an estimated 45 in the Ultra High Frequency (UHF) band.⁴⁰ In opting for VHF transmissions and VHF equipped receivers only, the Commission was aware of the recent (1952) decision of the United States FCC to license UHF stations in an attempt to increase the choice of service available to American audiences. However it was confident that the relatively small Australian market could be catered for by the seven VHF channels.

embarrassing way.' (*Getting of Television*, p. 141). This ignores the complexities of relations between the Commission's members. The evidence suggests that Osborne took up the initiative on the Minister's behalf; and, with the support of Wilson and Young, resisted Bednall's more partisan efforts on behalf of commercial interests.

⁴⁰The Commission was aware that there was some further flexibility in the number of available channels and that a further three could be made available at a later date. A total of 7 frequencies meant that 2-3 would be available in larger, and 1-2 in medium (provincial) markets. See pp. 33-4 below.

In reaching this conclusion the Commission preferred the claims of the leading equipment manufacturers (specifically A.G. Warner of Electronic Industries, L.A. Hooke of AWA and S.O. Jones of Philips), that TV sets which could receive VHF signals would be much cheaper to produce than those capable of receiving both VHF and UHF.⁴¹ In doing so it was aware of the short-term interest of these manufacturers in keeping the price of sets low to ensure as wide a market as possible. At the same time, it rejected arguments in favour of using both UHF and VHF channels, put forward by existing broadcasting and newspaper interests (the Australian Federation of Commercial Broadcasting Stations, and Sir John Butters of Associated Newspapers, who feared exclusion from a market dominated by a few operators.⁴²

While confining licences to the VHF band artificially restricted the number of stations from the outset, the Commissioners were advised by potential commercial licensees that the number of television stations should only be limited by the funds available for investment. Clive Ogilvy, Managing Director of Macquarie Broadcasting Pty Ltd, said 'it would be wrong for the Commission to accept the responsibility of determining whether television licences should be granted or not on the grounds of financial risk'.

He was supported by Sir John Butters who argued that the 'substantial initial investment required to establish a television station and carry it through to the profit-earning stage will, by itself, impose a limit.'⁴³ Nevertheless the Commissioners feared that commercial licensees, confronted with too much competition for advertising revenue in a limited market would lower programme standards.⁴⁴ At meetings to discuss key

⁴¹ *Report of the Royal Commission on Television*, Govt. Printer, Canberra, 1954, para. 99 and para. 231. *Costs of converting VHF sets to receive UHF were quoted at between £5 and £10. The average weekly wage in 1956 was £16.42.*

⁴² R.C. Report, para. 100.

⁴³ R. C. Report, paras. 215 and 217.

⁴⁴ R.C. Report, para. 246.

issues of policy when framing the Royal Commission Report, Commissioners Osborne (Acting Chairman), Bednall, and Young decided to recommend a limit of two initial commercial licences in Sydney and Melbourne based on what was estimated to be profitable.⁴⁵ They also decided that the 'effective commercial operation' of a television station should be interpreted as 'meaning...after the initial period of establishment it would give its licensee an economic return.'⁴⁶

In reaching this decision they realized that a potential monopoly might be created but proposed that the situation be reviewed by the Control Board 'with a view to [extending]...the number of commercial licences as soon as financial and other considerations permit.'⁴⁷

The Commissioners recognized that the initial funds required to set up a television station were far greater than that for a comparable radio station.⁴⁸ They also decided that high standards of programming would be expensive and best guaranteed where there was a large concentration of investment capital and guaranteed profits.⁴⁹ They were aware that it 'might

⁴⁵Discussion notes, 29-30 July 1953, between Commissioners Osborne, Bednall and Young, 'To discuss... major issues of policy involved in the Commission's terms of reference', Paton Papers, 2/1/7. (Copy endorsed on margins by Paton). The discussions were held while Paton was overseas and were chaired by R.G. Osborne. Bednall's view that 'provision should be made for one national and, at least two commercial stations in each major capital city,' prevailed. p.4.

⁴⁶ *ibid.*, p. 2.

⁴⁷R.C. Report, para. 246.

⁴⁸R.C. Report, para. 235.

⁴⁹ *ibid.*, Discussion Notes, 29-30 July 1953: 'There was no evidence to convince [N.S. Young] that there would be adequate advertising revenue to start an unlimited number of commercial stations in any one city; to allow indiscriminate competition amongst commercial entrepreneurs would be financially wasteful and tend to a lowering of standards.' The arguments of N.S. Young, the accountant member of the Royal Commission, supported by Bednall, carried the day, p. 3.

be necessary for contending applicants for licences to join forces in setting up the commercial services,⁵⁰ and the system they recommended actively encouraged the concentration of investment capital in a few VHF stations rather than its dispersal among a larger number of smaller UHF ones:

Although it is a matter which has caused us considerable concern, we have come to the conclusion that the operation of commercial television services on the limited scale which we recommend for the establishment period is the only practicable method of ensuring the provision of programmes of adequate quality.⁵¹

In fact the Commissioners privately acknowledged the possibility of a trade-off in the form of guaranteed profits for metropolitan licensees in exchange for their financial support of the less profitable country stations:

Whilst the aggregation of stations in the hands of one interest was not desirable, the economics of television might make it more or less unavoidable that licencees of metropolitan stations would be the only ones able to take television to the country areas.⁵²

This policy decision set the scene for the formation of networks. * By insisting that the profitability of stations was the principle upon which the success of the commercial television industry was founded, the way was open to attract the minimum number of large investors into each market which would be consistent with competition (initially two in Sydney and Melbourne), and ensuring that they would be financially as powerful as possible. Metropolitan operators would inevitably exert a dominating influence over regional licensees once they established controls over programme purchasing and production.

⁵⁰R. C. Report, para. 219.

⁵¹R.C. Report, para. 398.

⁵²op. cit., Discussion Notes, 29-30 July 1953, p.11, and: 'On Mr Bednall's thesis there should be at least two commercial operators in each of these cities [Sydney and Melbourne]. The development of the services in the capitals would be of material benefit to operators in all other areas, and indeed would be the quickest possible means of extending television to country areas.' pp. 5-6. * The use of the term 'network'

corresponds to the definitions given at 4.1 (b) + (c) in Vol 1 of the Report 'Future Directions for Commercial Television', Dept. of Communications, 1985: (b) Co-operation between members of the network for acquisition of local and overseas programs (c) co-operation for program production + distribution.

In addition to imposing artificial limits on the number of commercial stations to be licensed, determined by the number of VHF channels and by predictions about what the market would support, the Commissioners recommended that the rate of development of television should be determined by other than market forces. It was decided to recommend the adoption of a US style Frequency Assignment Plan which would allow for the orderly assignment of frequency channels according to fixed priorities:

First priority should be given to the provision of a single service to as large a proportion of the population as is reasonably practicable. In view of the accepted policy of establishing a dual service of both national and commercial stations, second priority should be given to the provision of a choice of programmes to as large a proportion of the population as economic considerations will permit. The third priority should be given to the provision of additional services in particular centres where this can be economically justified.⁵³

However, strict adherence to these principles would prove extremely difficult because

with only seven VHF channels available, reservations cannot be made to provide for the eventuality that a greater number of stations may ultimately be required in some capital cities, except at the expense of certain country areas.⁵⁴

What the Royal Commission could not foresee was the extent to which market pressure to license more stations in densely populated centres and a corresponding reluctance to invest in rural areas tended to undermine the principle that television was a 'service' to be extended to the people in an orderly and equitable manner.⁵⁵

⁵³R.C. Report, para. 112.

⁵⁴R.C. Report, para. 109.

⁵⁵The member of the Commission most directly representative of rural interests, R.C. Wilson, was aware of this situation and suggested in a supplementary observation to the Report that 'because of the very high costs involved in providing equipment and suitable programmes,...the dual system will be confined to the larger capital cities.' (R.C. Report, p.107, para. 4). Wilson believed that the sharing of transmitters between

A further significant group of issues with which the Commission was concerned was the conditions to be attached to commercial television licences. The decision to restrict the number of licences underlined the need for effective controls over what would inevitably be a small coterie of powerful licensees. Instead of building a control mechanism into the structure of the system for example, by retaining Government ownership of transmitters, as had been recommended by the UK television 'white paper', the Commissioners were disposed to rely entirely on the power of the Control Board to ensure that the commercial licensees acted in the public interest. This was a crucial decision. By allowing licensees to own transmitters, instead of merely allowing them to operate as programme providers on Government - owned transmitters, the Royal Commission, in effect, recommended handing the channels over to private interests. The significance of this was clearly recognized at the time by Sir Ernest Fisk who said that in his opinion, 'no programme party, whether it be government or non-government, should be allocated a channel for its own use',⁵⁶ and by R.G. Osborne who made a supplementary observation on the matter in the Royal Commission Report.⁵⁷ There was however, no attempt in the Royal Commission Report to present any argument, other than unspecified 'practical considerations' in favour of the proposal to allow licensees to own transmitters:

we have come to the conclusion that in Australia practical considerations will require that those responsible for the operation of commercial television stations should have control over and responsibility for the transmission as well as the production of programmes, as in the field of broadcasting.⁵⁸

commercial and national stations in country areas was the only way a service would be provided.

⁵⁶R.C. Report, para. 327.

⁵⁷R. C. Report, Supplementary Observation No. 2.

⁵⁸R.C. Report, para. 329.

A majority of the Royal Commission preferred the prospect of short term savings in government revenue represented by potential licensees' willingness to pay for their own transmitters, to the safeguards offered by government ownership. It was a judgement consistent with the concept of a commercial television system in which high levels of private investment were encouraged by the prospect of ample rewards, a strategy which allowed government resources to be concentrated on the national service with minimum expenditure on commercial infrastructure.

Having designed a commercial television system in which a few major investors would be handed their own channels, the Commissioners were at once confronted with the problem of devising suitable control mechanisms. They opted for the Broadcasting Control Board as the statutory authority to conduct licence hearings and to define and monitor programme standards. In exercising its regulatory functions, the Control Board, 'should not be subject to direction by the Minister'. The policy discussions on 29-30 July 1953, between the Commissioners revealed 'some difference of opinion' among them 'regarding the degree of authority that should be vested in the Minister responsible for television'. It was suggested that the Control Board be independent from the Minister and answerable to the Parliament because 'this would have the advantage of separating the general day to day administration of television from party political interference.'⁵⁹

The Commissioners hoped that annual reviews of licences would restrict the tendency of commercial television stations to subject their programming to market imperatives. At the same time, they were aware that the system they had contrived incorporated no other restraints:

it would seem, indeed, that in a licensing system, with provision for annual, or at least frequent, renewals of licences, lies the only effective

⁵⁹ op. cit., Discussion Notes 29-30 July 1953, p. 7.

administrative device for securing positive adherence to the high standards of programmes which are clearly desirable.⁶⁰

The tendency towards monopoly in a market dominated by a few powerful operators was regarded as a serious problem. Existing broadcasting interests (for example, C. Ogilvy of Macquarie Broadcasting), aware of the economies of scale afforded by networking, argued against limitations on the number of licences which could be held by an individual or company. Advertisers, represented by the Australian Association of Advertising Agencies, argued to the contrary that restrictions on competition between individual stations (in the form of programme sharing networks) would result in higher charges for advertising time.⁶¹

Reluctance to prohibit multiple ownership altogether was consistent with the Commissioners' view that commercial interests should be encouraged to bear as many television infrastructure costs as possible:

In certain directions, there may be advantages to be derived from the common ownership or control of a number of stations. For example, we envisage that the licensees of metropolitan stations may be prepared to establish and operate relay stations in districts which may not be in a position to provide the necessary financial support to justify a station operating as an independent unit.⁶²

The Commissioners were confident that a workable compromise could be framed which would allow licensees to acquire several television stations but prevent them from acquiring as many as they would like:

In our view provisions similar to those in section 53 of the Broadcasting Act if enacted with respect to television stations, would be sufficient to prevent such a degree of concentration of ownership as would be contrary to the public interest, and at the same time would enable advantage to be taken of the economies of operation which the ownership of a number of stations would permit. ⁶³

⁶⁰R.C. Report, para. 360.

⁶¹R. C. Report, paras. 362-366.

⁶²R.C. Report, para. 365.

⁶³R. C. Report, para. 366.

The remaining important aspect of commercial television regulation, the maintenance of suitable programme standards, was the subject of considerable debate by the Royal Commission. The relevant chapter of the Report, Chapter IV 'The Social Impact of Television', drafted by Paton himself, warned of the importance of adhering to 'positive' standards of programming which could improve the level of public taste. Among themselves however, other Commissioners admitted:

it should be remembered that television [is] essentially a popular medium of entertainment and any measures that have the effect of detracting from its popularity would be detrimental and could lead to its failure...It should...be possible...for the Board to formulate acceptable standards in consultation with the industry. Co-operation rather than control should be the key-note. ⁶⁴

It was clear from these remarks that, whatever the Chairman's views might be, the regulation of standards would depend upon the Control Board and commercial stations finding an acceptable 'modus operandi'. However, the Report recognized that 'Self-regulation will not be sufficient to secure that commercial television programmes will be of suitable standard,' and that it was necessary, in the absence of structural guarantees, to preserve an ultimate sanction in the form of a provision for the withdrawal of a licence for failure to comply with standards set down by the Control Board.⁶⁵

The sense of the need for positive regulation in order to preserve high programme standards was not matched by a desire to impose quotas of Australian produced material:

It was felt, however, that it would not be possible without practical experience, to assess the availability of Australian programmes of a worthwhile standard...It was considered therefore, that no quota should be established until the service had experienced a period of operation.

⁶⁴ op.cit., Discussion notes, 29-30 July 1953, p.12.

⁶⁵ ibid., p. 12.

* by 'positive' standards, Paton meant standards which delineated good programme features rather than merely proscribing bad ones.

Meanwhile 'no restrictions should be placed on the importation of programmes from other countries in the early stages'.⁶⁶ While the decisions not to impose quotas of Australian programmes and to allow unrestricted imports of foreign material were the source of the most sustained protests from the Opposition and special interest groups, the Commissioners were privately optimistic at the time that the effects of the absence of quotas and restrictions would be mitigated because

the quality of imported programmes would be ensured by adherence to the programme standards laid down by the controlling authority [ie. the Control Board]...and by the general film censorship provisions. The limited number of hours of operation, and currency restrictions, especially from dollar areas, would also have a limiting affect on the importation of programmes.⁶⁷

The Commissioners were also optimistic that the co-operative relationship already existing between the commercial radio broadcasting industry and the Control board could be transferred without substantial modifications, to commercial television. They persisted with this view despite being aware that the considerably greater 'financial pressures' of the industry meant that 'self regulation was not completely possible'; at the same time

it should...be possible, and it was desirable for the Board to formulate acceptable standards in consultation with the industry. Co-operation rather than control should be the key note.⁶⁸

With respect to the National Service, the Commissioners agreed that it should be the responsibility of the ABC because 'of the economies that would be effected by the integration of the sound and television services under the same authority.'⁶⁹

⁶⁶ *ibid.*, p. 14.

⁶⁷ *ibid.*, p. 14.

⁶⁸ *op.cit.*, Discussion Notes, 29-30 July 1953, p. 12.

⁶⁹ *ibid.*, p.9 The notes continued: 'Mr Osborne thought that there was a case for the appointment of a full time Chairman of the Commission who would be Chief Executive Officer. The position of the present Chairman

While the Commissioners concluded that in principle 'there is no justification for requiring some definite period to elapse before any national or commercial television stations should be established',⁷⁰ they declined to recommend that the ABC be granted any period of monopoly in order to establish quality programme standards.⁷¹ They were more concerned that the national service should be self funding by being planned

on the basis that, within a reasonable period at least, the major part of the expenditure would be covered by revenue which can be reasonably attributed to the provision of the service. [ie. from viewer's licences]⁷²

The same anxiety to achieve a television service without committing funds from general revenue which determined the Royal Commission's findings with respect to government ownership of transmitters, ensured that the role of the national service would be mapped out consistently with ~~commercial~~ ^{budgetary} imperatives.

The Royal Commission Report was presented to the Minister on 5 May 1954. On 15 July, the Control Board and the Director-General of Posts and Telegraphs discussed the Report with Anthony and roughed out a draft Cabinet submission on the introduction of television. Anthony declared that he agreed with the Royal Commission's recommendations as a whole and endorsed them as a basis for legislation and administrative policy. He proposed to invite tenders for national television stations in Sydney and

and the present General Manager made this practically impossible to achieve.'

⁷⁰ R. C. Report recommendation No. 3.

⁷¹In a marginal note, Paton indicated that the monopoly period requested by the ABC in its submission to the Commission should be refused on the ground that there were indications of a 'luke-warm and rather negative approach and some lack of confidence in the real determination of the ABC to perform its television role.'; Discussion notes, 29-30 July 1953, op.cit., p.9.

⁷² R.C. Report, recommendation No. 5.

Melbourne and recommended that the Control Board be directed to hold public hearings to consider commercial licence applications.

The draft submission invited Cabinet to consider the important issue of whether the national and commercial services ought to commence with nationally owned transmitters 'shared in some way between national authority and commercial interests.'⁷³

Before the matter was considered by Cabinet on 10 September, Anthony was subjected to some intense lobbying from broadcasting interests. On 6 September, a deputation from the Management Committee of the Australian Federation of Commercial Broadcasting Stations met Anthony and Osborne in Sydney to urge the granting of television licences to existing broadcasting interests. The deputation was primarily concerned to limit the role of programme providers in television and insisted that licensees be allowed to provide their own transmitters. If licensees were to be programme providers only, as was proposed under the British Independent Television Authority, then the preferred candidates must be the motion picture industry who were thought to be in a position to tie up programme sources.⁷⁴ On the other hand, if licensees were allowed to own the transmitters, the motion picture distributors would be merely competing with each other to sell programmes to the providers of channel time.

Anthony replied that the number of licences to be issued would be fewer than the potential applicants and that radio, electronics and newspaper

⁷³ AA, MP 1170/4, TD 2/2 pt 1, ABCB Minute, 17 June 1954, signed Osborne. He noted, 'The Minister...repeatedly stated that he wished the matter to be pushed forward as quickly as possible'. The recommendation on shared transmitters was probably made on Osborne's initiative since he supported the idea of government owned transmitters in Supplementary Observation No. 2 of the R.C. Report.

⁷⁴ AA, MP 1170/4, TD 2/2pt. 1, Notes of Deputation to the Postmaster-General, 6 September 1954, p. 5.

interests should 'sort themselves out', or combine applications for the available licences.⁷⁵ C. Ogilvy, (of Macquarie Broadcasting) agreed;

although we are highly competitive, there is no doubt that at the appropriate stage, if there was a restriction on the number of licences, the groups would come together, groups that might appear on the surface to be as remote as the North and South pole.⁷⁶

The issue of government ownership of transmitters was resolved by Cabinet on 10 September 1954. There were too many forceful arguments from commercial interests for the proposition to be supported. Anthony telephoned Osborne afterwards to say

it was made quite clear by Cabinet that the alternatives to licences for commercial stations which had been proposed, (...as to Government owned transmitters - and a suggestion made by some interested parties that separate commercial groups should provide technical services and programmes respectively) were rejected.⁷⁷

For the rest, the Minister's recommendations were endorsed. There were to be two commercial licences issued in both Sydney and Melbourne after public hearings held by the Control Board. The ABC was to be responsible for the national service and tenders were to be called for its transmitters in the two major capitals.

Although aware from overseas experience of many of the possible consequences of their decisions, neither the Royal Commission nor the Cabinet was prepared to apply restrictions that might inhibit the rapid

⁷⁵ Anthony's final words to the deputation were; 'Well, I think that you can take it that only two commercial licences will be granted in Melbourne and Sydney. It will not be long before the announcement is made. It has been under consideration for some time. But I think you will have to get together among yourselves and with other interests, such as newspapers.' *ibid.* p.7.

⁷⁶ AA MP 1170/4, TD 2/2 pt, Notes of Deputation to the Postmaster-General, 6 September 1954, p. 2.

⁷⁷ AA MP 1170/4, TD 2/2 pt1, ABCB Minute, signed Osborne, 10 September 1954. Anthony's submission to Cabinet contained a proposal (not favoured by the Royal Commission) that the Government could retain ownership of the transmitters - as an alternative to full private ownership. It was specifically rejected by Cabinet.

development of commercial television in Australia at the minimum cost to the public purse.

Chapter 2.

Who will get 'a licence to print money'?

The Cabinet decision of 10 September 1954, to licence commercial television stations in Sydney and Melbourne and to call tenders for national station transmitters, caused a flutter of uneasiness among the Government's backbench supporters. During the Estimates debate on 21 September, doubts were expressed whether more of the Postmaster General's Department's resources should be used to provide television services in the cities while waiting lists for telephone connections in country and outer-suburban electorates continued to grow. H.B. Gullett (Lib., Henty), was having second thoughts about television. 'It was a pity,' he said, 'that when the proposal to introduce television to Australia was first mooted, it was not referred to a select committee of this chamber.'¹ Opinion was divided among the Government's supporters, between those like Gullett who thought that television's introduction would have few benefits and should be delayed further, and others like D. Fairbairn (Lib., Farrer) who thought that it should be confined to commercial stations, 'until the Government can arrange for everyone who wants a telephone to have one'.² In response to these publicly aired misgivings, Menzies agreed that the matter be discussed at the joint Liberal-Country Parliamentary Party meeting to be held on 29 September. On the day

1 Commonwealth Parliamentary Debates, House of Representatives, 21 September 1954, p.1437

2 C.P.D., Reprs., 21 September 1954, p.1425 Telephone installations were a priority at the time. In 1955 Anthony admitted that while 70,000 telephones were being installed annually, 130,000 applications per year were being received by the Post Office. CPD, Reprs., 27 September 1955, p.935

before the meeting Menzies confided to Osborne and Chippendall that he thought the Cabinet decision, based on the recommendations of the Royal Commission, 'was sensible and reasonable and anyway was completely in line with the repeatedly affirmed policy of the Government Parties'. Menzies indicated that he would be putting this view firmly to the party and that there would 'be little difficulty' in securing endorsement of it.³ He was right. At the meeting on 29 September, at which seven or eight Members had spoken:

No opposition was expressed to the introduction of television but it was the view of the speakers, in general, that perhaps during the initial stages, the project should be left in the hands of private enterprise to be followed later by national stations. It was felt that this procedure would facilitate greater concentration on the provision of telephone services.⁴

Nor was Anthony in any hurry to push matters along. After the Cabinet meeting on 10 September, he told Osborne he was 'not busting himself' to get on with the job of granting licences and that he would be leaving legal and other formalities to the Board.⁵

The feeling among government members, including the Minister, that little of real importance remained to be decided, disregarded two issues which greatly concerned private enterprise interested in television, namely, the number of available licences, and which groups would get them.

A draft Cabinet Memorandum prepared by the Board on 28 July 1954 and approved by Anthony, outlined the action to be taken before national and commercial television stations could begin transmissions in time for the Melbourne Olympic Games scheduled for November 1956.⁶ This decision

3 AA, MP 1170/4 pt., TD 2/1 pt. 2, Television Policy, File note, probably by Osborne, although not signed or dated.

4 *ibid.*

5 Control Board Minute, 10 September 1954, signed by Osborne.

6 Cabinet Memorandum, 28 July 1954, signed by Anthony. The Memorandum continues; 'To achieve this, we must regard mid-1956 as

was consistent with the Government's desire to ensure the rapid development of the television receiver market in line with commercial imperatives.

The first priority was to invite applications for the two commercial licences in Sydney and Melbourne which Anthony proceeded to do on 19 October. On 25 November 1954 he called for tenders for the supply and installation of transmitting equipment for the national stations in Sydney and Melbourne. The contract was granted to Amalgamated Wireless (Australia) Ltd for transmitters (to be made in the United Kingdom by Marconi Wireless Telegraph Co. Ltd), radio masts, radio links and emergency power plant.⁷

The most important factor determining the number, and therefore the relative profitability, of commercial television stations in Australia, was the decision to confine television transmission to the Very High Frequency (VHF) band. The decision was a technical one but with far-reaching implications affecting receiver costs as well as the size and distribution of audiences, and the potential market share of all commercial television stations.

The problem of obtaining sufficient frequencies for television transmission had occupied the Control Board since 1950.⁸ Forward

the latest date on which an effective television service should be available, at least in Melbourne and Sydney. Because of the wide interest in the Games, television of the events would provide a great incentive to people to purchase receivers.' p.5

⁷ Australian Broadcasting Control Board, Seventh Annual Report, 24 October 1955, p. 27

⁸ AA MP 1170/4 TC 1/1 pt1, Control Board Minute, 17 January 1950: 'having regard to the express desire of the Minister that television should not be restricted to national stations...the Board directed the Director of Technical Services to prepare a report on...the possibility of further channels being available'. Further memoranda detailing

planning had proceeded on the assumption that television had a firm priority in the VHF band. The then Chairman of the Control Board, L.B. Fanning, informed his planning body that because 'the cost of providing television services is very high...it is reasonable to incur a considerable degree of expenditure to ensure that television services shall be free from interference.'⁹

It was assumed at this time, and later recommended by the Royal Commission, that television channels would be accommodated on the VHF band and negotiations proceeded throughout the period 1950 to 1953 to release channels being used by air-navigation, amateur broadcasting and military services. The Frequency Allocation Sub-Committee (FASC) of the Postmaster-General's Department prepared numerous provisional draft frequency plans and provided information on the number of channels available for television to the Royal Commission. The Sub-Committee carried out a series of consultations with representatives from the Army, the Department of Civil Aviation and the Air Force, and by 24 December 1952, the Secretary of the Control Board, J. O'Kelly, was able to list channels available for television purposes in response to a request from the Secretary of the Australian Federation of Commercial Broadcasting Stations, C. Nash. O'Kelly listed nine channels, two of which would not become available until 1956.¹⁰

By December 1952, a draft frequency plan had been prepared by the FASC which provided for the allocation of four television channels to each

negotiations between the Frequency Allocation Sub-Committee and the Control Board from 1950-53 are on this file.

⁹ L.B. Fanning to The Secretary, Frequency Allocation Sub-Committee, n.d. (May-June 1950)

¹⁰ O'Kelly to Nash, 24 December 1952. The availability of nine channels was confirmed at a meeting held between the FASC, Dept. of Civil Aviation and the Services held on 9 December 1952.

capital city, two to Newcastle, one to Canberra, and one station for all towns with a population of over 5,000 which were outside a radius of 170 miles from capital cities. The plan provided for a total of sixty-nine stations.¹¹

The Royal Commissioners, on the basis of these FASC estimates, were confident that television transmissions in Australia could be accommodated on the VHF band for the foreseeable future.¹² They used this evidence in support of the view that it would not be necessary to use the 47 channels available on the UHF band (see Ch. 1 above).

In November 1954, the Minister's call for tenders to supply transmission equipment and his announcement that commercial licences would be allocated in Sydney and Melbourne, required early decisions to be made about specific channel allocations and the geographical location and maximum transmitting power of stations. A report dated 9 September 1954, by the Control Board's Director of Technical Services, D. McDonald, recommended that the power of all commercial and national stations be limited to a maximum of 100 kw effective radiated power (e.r.p)¹³ McDonald noted that this would enable stations transmitting on different channels to be located 170 miles apart:

A spacing of 170 miles is the minimum used for co-channel stations in the United States. It is considered suitable for Australia, in that it allows most of the towns to be allocated a choice of programmes using the VHF channels likely to be available. A larger geographical spacing would have

11 AA MP 1170, TC 1/1 pt.1, 11 page typewritten Report, 'Requirements for Australian Television' no date, but certainly after 15 November 1952.

12 R.C. Report November 1953, para. 96

13 AA MP 1170/4 TF 3/1 pt.1 'Power and Frequency of Melbourne and Sydney National Television Stations: Calling of Tenders', D. McDonald, 15 September 1954.

some advantages, but is not essential, and could be wasteful as television develops in country areas. ¹⁴

By October 1954, after meetings with receiver manufacturers, the Control Board was able to provide a provisional list of ten channels to be incorporated on receiver dials, of which two (channels four and five) were designated as being available from 1963.¹⁵ The list was compiled after a series of negotiations between the P.M.G. and the R.A.A.F. over the release, after seven years, of radio spectrum band width sufficient for two channels. The Control Board also released a band (90 - 92.5 Mc/s), formerly reserved for use by future FM radio stations, to create space for a third channel, making a total of ten.¹⁶

On the basis of ten channels becoming available, the Control Board was able by April 1955 to provide for a maximum of four channels in capital cities and two in country areas on the VHF band.¹⁷ The Royal Commission had anticipated that a total of seven channels could accommodate three stations in capital cities and one in country towns

14 D. Mc Donald, 15 September 1954. McDonald noted with regard to the e.r.p. limit of 100 kw, that few British equipment manufacturers made transmitters capable of producing higher power, moreover: 'It is thought that neither national nor commercial operators would desire e.r.p's exceeding 100 kw.'

15 AA MP 1170 TC 1/1 pt.1, R.G. Osborne to L. Withall, (Director, Assoc. Chambers of Manufacturers), October 1954, n. d. accompanying notes, 'on matters to be discussed with representatives of manufacturers of television receivers'.

16 AA MP 1170/4, TC 1/1 pt.1, Confidential P.M.G. Memo; 'Request from ABCB for provision of three additional TV channels for use as from 1/6/59', L.F. Pearson (Ass. Dir-Gen.- Wireless) to Chippendall, 2 July 1954; 'The R.A.A.F. may be induced to agree that it is reasonable for the Board to proceed with its planning on the basis that the band [132-144 Mc/s, designated on the Control Board's provisional list as channels 4 and 5], will be available in 1961.'

17 AA MP1170, TC 1/1 pt.1 ABCB: 'Frequency assignment plan for Australian television development in the VHF band', April 1955.

with a population of over five thousand, and the Control Board's plan allowed what was thought to be a comfortable margin for the future expansion of television services without using the UHF band.

By June 1955 the Control Board was in a position to discuss with manufacturers whether TV sets should be built with the capacity to receive both VHF and UHF transmissions. Although the Royal Commission had recommended that combined VHF/UHF receivers be built, R.G. Osborne admitted in his letter to the Associated Chamber of Manufacturers that the Board had 'no power under the existing legislation to require that any specified intermediate frequency shall be used, but desires to seek the co-operation of manufacturers.'¹⁸ The manufacturers preferred to keep unit costs down rather than co-operate unreservedly with the Control Board, and decided that receivers would incorporate ten channel VHF tuners only, with possible 'economical' adaptation for UHF reception. Moreover the Board recognized that it 'would probably be over optimistic to expect that all receivers will comply with these conditions.'¹⁹

The Royal Commission recommendation (No. 9) adopted by the Control Board, to confine television transmissions to the available VHF channels was made irreversible in the short term, by the decision to build TV sets with VHF tuners only. It meant that the estimated 47 channels available on the UHF band would not be used while the market was dominated by such sets. The Control Board was aware of this, but did not consider that the use of the UHF band would be necessary in the foreseeable future. The Board's record of the outcome of discussions with manufacturers indicated that UHF was not being considered as a serious option:

¹⁸ R.G. Osborne to L. Withall, October, 1954, n.d.

¹⁹ AA MP 1170/4 TF 3/1 pt.1, ABCB Agendum No. 1955/49, June 1955;

'Television Channels: Use of VHF and UHF Band.'

There is possibly a theoretical case for the proposition that we should use only the U.H.F. band in Australia, but there are so many difficulties about this that it is hardly worth considering, and it does not seem to have much support, if any.²⁰

The Control Board was unable to brush this matter aside in such a cursory way however when the Opposition's E. J.Ward (ALP, East Sydney) wrote to the Minister on 20 June 1955 asking whether, 'by the use of the High Frequency Band, saturation point will be reached before all parts of Australia are covered for the purpose of television transmission?' If UHF transmissions were eventually adopted Ward urged, was it true that 'enormous additional cost will be involved in making alterations to existing transmitting equipment and to receiving sets?'²¹

Anthony's reply, drafted by the Control Board, reflected manufacturers' concerns that 'the cost of receivers would be increased materially if...[UHF transmissions] were adopted, without any commensurate gain to viewers for a long time, if at all.' Ward was further assured that manufacturers were 'in agreement that receivers should be designed not only to tune to all VHF channels but so as to be capable economically of adaptation to provide for tuning to UHF channels.'²²

Despite the Minister's assurances, and his statement in the Parliament on 10 May that 'technical experts have advised the Government that the VHF system will be adequate for Australia's needs probably for all time,'²³ the Government's decision to confine television transmissions to the VHF band continued to attract criticism. On 9 September 1955, C. G. Scrimgeour, Chairman and Managing Director of Associated TV (one

²⁰ op.cit.

²¹ AA MP 1170/4 TC 1/1 pt.1 Ward to Anthony, 20 June 1955. Anthony passed the letter to the Board for reply 'subject to my approval'.

²² Anthony to Ward, 27 July 1955.

²³ C.P.D., Repts. 10 May 1955, p. 1285.

of the unsuccessful applicants for a Sydney licence), wrote informing Anthony of the recent United States move to licence UHF stations in cities to meet the demand for more licences than could be accommodated on the VHF band. Scrimgeour argued that the artificial limit on the number of capital city licences in Australia would lead to 'unreasonable commercial advantage - if not monopoly - to those favoured by the grant of the first television broadcasting licences.'²⁴ Scrimgeour, whose licence application had a relatively modest capital backing, was representative of smaller interests who believed they would be able to participate in a market divided among a larger number of licensees. This would be impossible unless UHF channels were licensed at the outset. Scrimgeour knew that if UHF transmissions were reserved for a later date, stations operating on those channels would be unable to obtain an audience because existing receivers would require converters. This had already happened in the United States where, with fifteen million VHF-only receivers in use by 1952, UHF stations licensed after this time were unable to shake the market dominance of the VHF based networks.²⁵

In Parliament on September 20, W.M. Bourke (ALP, ^{- AC} Fawkner) and the Leader of the Opposition, H. V. Evatt (ALP, Barton) both asked Anthony to explain why television channels were to be limited to the VHF band. Bourke called for a debate on the matter. Opposition criticism of frequency allocations continued²⁶, and during the October Estimates debate, A. Fairhall, (Lib., Paterson), a radio engineer, former Managing

24 AA MP 1170/4 TC 1/1 pt.1, Scrimgeour to Anthony, 9 September, 1955.

Also accompanying notes; 'Revision of TV Regulations and Standards for Australia,' 6 page typescript. Scrimgeour was a clergyman who had been a popular radio broadcaster, and later a Controller of New Zealand Commercial Broadcasting.

25 Barnouw, *History of Broadcasting*, Vol. III, p.295, and *Tube of Plenty*, pp.142-3

26 C.P.D., Repts. , 20 September 1955, p.737 and 5 October 1955, pp.1273-8

Director of Newcastle Broadcasting Ltd. and a past President of the Australian Commercial Broadcasting Federation, criticised from the Government backbench, the failure to utilize the UHF band, and warned that television development would be 'frozen from the beginning'.²⁷

The Provisional Frequency Assignment Plan based on the use of ten channels in the VHF band was published as an Appendix to the Control Board's Seventh Annual Report, on 24 October 1955. On the following day, Anthony sought to hose down the still smouldering UHF/VHF controversy by issuing a press statement in which he put the case for VHF-only transmission for Australian television. He quoted from a British Television Advisory Committee Report of 1953, which decided that UHF transmissions were limited in range and required more complex transmitting equipment. Although higher power transmitters were by this time becoming available in the United States, there was still 'no doubt that VHF channels are from all points of view superior to UHF channels.' Moreover, Anthony's statement emphasised a point that supported current political priorities, namely that there were 'sufficient VHF channels available for the Australian television services to permit an adequate number of stations to be established to provide nation-wide coverage and choice of services.'²⁸

The Government and the Royal Commission had designed an administrative framework for television which ensured that commercial television would be sufficiently profitable to encourage the high levels of investment necessary to ensure its successful development. Committed to building up the national service, the Government wanted private industry to provide the transmitting infrastructure for commercial

27 C.P.D., Repts. 5 October 1955, p.1274

28 AA MP 1170/4 TC 1/1 pt. 1, Press Statement, Anthony, 25 October 1955, original underlined.

* The definitive ABCB discussion of the VHF/UHF problem is contained in an 11 page report by D. McDonald dated 23 January 1959 entitled 'Extension of Television Service to Country Areas', AA MP1170/4 TF 3/1 pt. 1.

stations without additional contributions from the public purse. The strict limit on the number of channels ensured that the market share of each would be as large as possible, while admitting a minimum of programme choice for viewers. The prospects for potential investors were tempting indeed.

The licence hearings conducted by the Control Board during January and February 1955 were anything but a public auction; but amid the rhetoric about maintaining 'high standards at the expense of shareholders profits,' it was possible to discern the commercial priorities underpinning rival bids.²⁹

The closing date for the Sydney and Melbourne licence applications was 1 January 1955. Eight applications were received for the two Sydney licences, and four for the Melbourne licences. The applicants were a representative cross section of radio broadcasting, newspaper publishing, electronics manufacturing and cinema interests. Individual applications comprised groups of shareholding companies, some being wholly or part owned subsidiaries of the dominant sponsoring company.

Applicants for the Sydney licence were:

1. Sydney Broadcasting Station 2 SM Pty. Ltd. (which joined the Consolidated Press application on 14 February 1955)
2. Amalgamated Television Services Pty. Ltd, a company comprising John Fairfax and Sons Ltd., publishers of the *Sydney Morning Herald* and *Sun-*

²⁹ J.R. Darling as a Control Board member, presided at licence hearings.

He asked Garfield Barwick during his term as Attorney General why the government did not simply adopt the English practice of awarding licences by tender. 'Oh in England', said Barwick, 'You can do it [hold licence hearings] in a cellar in Whitehall.' Darling commented that it was 'An Australian convention that [licence hearings] were done in public,' because, 'Australian democracy won't trust anybody'. Sir James Darling, interview with author, 17 July 1990.

Herald, Macquarie Broadcasting Ltd, and AWA, as the major shareholders.

3. Consolidated Press Ltd, publishers of the *Daily Telegraph*, Associated Newspapers (U.K.), Paramount Films, and Philips Pty. Ltd; minor shareholders included radio stations 2KY and 2SM, Tivoli Circuit.

4. Associated T.V. Pty. Ltd. a company directed by G. Scrimgeour (a former Controller of New Zealand Commercial Broadcasting and proprietor of Pagewood Studios, Sydney), A.B. Fuller (of Fuller's Theatre), D. F. Fegan (Australian Records Pty. Ltd), and three private investors.

5. Transcontinental Broadcasting Corporation Ltd, a company directed by A.C. Paddison, a past president of the Australian Federation of Commercial Broadcasting Stations, former Manager of station 2KA (Katoomba), and Director of Express Newspapers, publishers of the *Labor Daily* and *Century* .

6. Truth and Sportsman Ltd, sponsored by the newspaper group owned by Ezra Norton.

7. T.N.P. Dougherty and H.V. Evatt as joint and provisional trustees of the Australian Workers Union and the Australian Labor Party.

8. L. H. Benson-Greene (a private application).³⁰

The four applicants for the Melbourne licences were:

1. Vernon de Witt Margetts (licensee of Melbourne radio station 3AK) on behalf of a company to be formed.

2. General Television Corporation Pty Ltd. Major shareholders included: David Syme and Co. Ltd, publishers of *The Age*, Greater Union and Hoyts Theatres (cinema exhibitors and film distributors), *The Argus and Australasian* newspapers, and Electronic Industries Pty Ltd.

³⁰ Benson-Greene appears to have been a crank who never submitted a complete application and whose irregular and sometimes incoherent questions provided some light relief at the hearings.

3. J. Williams on behalf of The Herald and Weekly Times Ltd.

4. T. Dougherty and H. Evatt as joint and provisional trustees of the Australian Workers Union and the Australian Labor Party.³¹

The applicants represented amalgamations of interests who could benefit directly from commercial television (film distributors and electronic equipment manufacturers), together with those whose business would be threatened by competition from television (by potential loss of advertising revenue in the case of newspaper and radio interests, or by potential loss of audience in the case of cinema or live theatre interests). Some directors of applicant companies had given evidence at the Royal Commission, and others were privy to the meeting with Anthony on 6 September 1954 at which he warned them of the likely ground rules of the coming contest.³² The remaining applicants represented sectional political interests (Paddison, Evatt and Dougherty), or were smaller businessmen with an interest in the production side of the TV medium. G. Scrimgeour, for example, was a film producer whose licence application was sponsored by a variety company and a record company. The hearings, held in Melbourne from 21- 24 January 1955, and in Sydney intermittently from 1- 23 February 1955, were quasi-judicial in form with the Control Board presiding and the applicants represented by a galaxy of QCs. Cross-examination of witnesses was allowed and legal counsel were, according to J. R. Darling, one of the Board members, 'uncontrolled by

31 ABCB, Seventh Annual Report, June 1955, p.28, also ABCB, Transcripts of Evidence and Exhibits, Sydney hearings and Melbourne Hearings, Department of Transport and Communications Archive, Melbourne. Index to hearings and exhibits, Monograph No. 7, 'Commercial Television Licence Application Hearings', Australian Film and Television School, n.d.

32 AA MP 1170/4 TD 2/2 pt1 See pp. 24-5, Ch 1 above.

any of the ordinary rules of evidence or awed by a judge on the Bench.'³³ Few of the competing applicants emerged unscathed from the cross-examination process which centred on the issues of capital control, including foreign ownership and conflict of interest, and the ability of potential licensees to provide a high standard of service, as well as to sustain initial losses for an estimated two years.

Of the applicants for the Melbourne licences only two were obviously able to fulfil the financial expectations of the Board and these, General Television Corporation Ltd, and the Herald and Weekly Times Ltd, were awarded licences. In Sydney, the situation was complicated by the fact that there were twice as many applicants some of whom were prepared to put up a fight.

Applications were supported by two main lines of argument. Counsel presenting the Fairfax (Amalgamated Television Services) and Packer (Television Corporation) cases argued that only financially sound companies which could guarantee the necessary amount of capital required for a television station and sustain losses for at least two years, should be granted a licence.

On the other hand, smaller companies and individuals applying for licences emphasised that television should not depend on market imperatives and that a positive programme policy should determine the quality of the service. Only a small capital base was necessary and the hours of service would be restricted by the amount of suitable programmes available. The applications made by G. Scrimgeour, (Associated TV), A. Paddison, (Transcontinental Broadcasting

33 J. R. Darling, *Richly Rewarding*, Melbourne, 1978, p.213. Sir J.R.

Darling, M.A, D.C.L (Hon.) Oxon., Headmaster of Geelong Grammar School, 1930-61.

Corporation) and H. Evatt, (AWU and ALP) incorporated aspects of all these arguments.

Applicants' counsel attacked the weak points in their rivals' cases without much interruption or direction from the Control Board.³⁴ During relentless cross examination, the views of leading witnesses were frankly revealed. In Melbourne, A. Warner, (Managing Director of Electronic Industries) gave evidence in support of the General Television Corporation (GTV) licence application. He said that the group expected to lose £200,000 in the first three years of station operation but large profits were expected to follow. He believed the public would purchase about 33,000 receivers by the beginning of 1957 and 73,000 by the third year of transmission. Warner said that GTV would be concerned to build the largest audience as quickly as possible in order to minimise losses, and to this end 'the company, in providing entertainment, would be bound largely by the type of programme the public wanted.'³⁵ In Sydney, Garfield Barwick was more sensitive to the damage such admissions might do to his client's (ATN's) case. He assured the Control Board: 'in the early years standards would be set, and while the operator was losing money he must not try to lower them to make ends meet.'³⁶ The following day Barwick assured the Board that his client 'would co-operate fully...in elevating public taste,' and C. Ogilvy, the Managing Director of ATN, claimed that his company 'feels that the public interest must always prevail even at the expense of loss.'³⁷ Aware that applicants

34 Sir James Darling interview with author, 17 July 1990, also see *Richly Rewarding*, pp. 213-14

35 *Sydney Morning Herald (SMH)*, 22 January 1955

36 *SMH*, 1 February 1955. Sir James Darling told the author that Barwick 'knew all the tricks.' (interview with author, 17 July 1991)

37 *SMH*, 3 February 1955.

would 'promise anything'³⁸, J.R. Darling observed that the standards of the London *Daily Mirror*, which had a substantial shareholding in ATN, 'were not the highest that could be set.'³⁹ Darling then asked Ogilvy what precisely he meant by 'high standards'? Ogilvy's reply showed the respect for popular taste on which the success of mass appeal publishing was based:

The *Daily Mirror* as a newspaper does not appeal to me, but it appeals to five million readers a day in England.⁴⁰

Nobody knew better than the radio and newspaper men that in a pluralist, democratic society, standards of public taste were indefinable in all but the broadest sense. The next witness to reinforce this fact was the Chairman of Consolidated Press, D. F. (Frank) Packer, appearing in support of the Television Corporation Ltd licence application. Packer was enthusiastic about the prospects of television and predicted that it would, 'have a great influence on the standard of living in Australia.' In Packer's opinion, 'American television [was] far better than British television, which, with the exception of the children's hour, [was] dull.'⁴¹ He said that his company was negotiating to buy the rights to Disney films and in response to an interjection from J. W. Shand QC (counsel for Truth and Sportsman Ltd), 'What about Superman?' replied; 'Superman is always trying to stop some evil. It is just like when you and I were playing bobbies and bushies.'⁴² In answer to a question from Clive Evatt QC (appearing on behalf of Actors and Announcers' Equity Association of Australia), 'What is the urge to have the Walt Disney productions such

38 Sir James Darling interview with author, 17 July 1991.

39 *SMH*, 3 February 1955, Clive Ogilvy was Managing Director of Macquarie Broadcasting Ltd and a former Manager of radio station 2GB Sydney.

40 *SMH*, 3 February 1955.

41 *SMH*, 5 February 1955.

42 *SMH*, 4 February 1955.

as Pluto and Mickey Mouse?' Packer replied, 'I think they are very funny programs.' Evatt probed further: 'Do you know of the latest theory that children would appreciate more intelligent types of programmes?' Packer countered this by declaring, 'We may be wrong in our assessment of what children would like on television.'⁴³ The suggestion that children were better judges than adults of what they liked begged the question whether they were better judges of what was good for them.

Dr J. R. Darling tried to sound out Packer on his values by asking him what constituted 'quality' in a newspaper. Packer replied: 'accuracy, impartiality, alertness, courage on certain issues and the emphasis it gives to important matters.' This sounded fair enough except that Packer was talking about news, not features based on entertainment value. For Packer 'good' features were profitable ones. For example, when Darling asked him directly whether he would 'supply good material even at the expense of the shareholders?', he said:

Both go hand in hand. For instance we ran a Sherlock Holmes strip until three weeks ago but, although we had 400 more instalments in the office, we stopped it because it was not worth the space.⁴⁴

After the applications of Amalgamated Television Services and Television Corporation had been examined, the Control Board heard those of Transcontinental Broadcasting and Associated TV. Both these applicants advocated 'low-budget' stations where, they argued, programme quality was safeguarded by limited transmission hours. Both had difficulty in convincing the Board of their financial soundness and

⁴³ *SMH*, 5 February 1955; Clive Evatt was a former NSW Labor Minister, 1941-54, and brother of Opposition Leader H. V. Evatt.

⁴⁴ *SMH*, 5 February 1955.

Paddison's Transcontinental Broadcasting application was criticised as 'informal and incomplete' by the Board's Chairman, R. G. Osborne.⁴⁵

The application by Truth and Sportsman Ltd suffered from the unsavoury reputation of the proprietor of *Truth* and *Daily Mirror* newspapers, Ezra Norton, and of their 'gutter press' image.⁴⁶ Garfield Barwick (for ATN) doubted the capacity of Truth and Sportsman Ltd

to determine what was right and good...We know the standard and taste of the newspapers run under the company's control. It is justified on the basis that the public wanted it and "we give them what they want".⁴⁷

This differed little from the criteria offered by Packer and Warner for deciding good programmes, but these businessmen were more respectable figures than Ezra Norton.

While the questions of financial stability and the ability to guarantee a quality service dominated the hearing of most of the applicants' cases, that of H.V. Evatt and T.N.P. Dougherty (as joint and provisional trustees on behalf of the ALP and AWU), introduced other contentious issues. It soon became clear that Evatt did not have the unanimous support of the Labor Party in his bid for a television licence. Internal divisions within the ALP affiliated unions, between the right-wing, Catholic led 'Industrial Groups'⁴⁸ and those supporting Communist/Labor 'unity tickets,' worsened during the early 1950's, spilled over to the party rooms of the State Executives and the

45 Transcripts of Television Licence Application Hearings, Sydney, 1955, Vol.1, Part III, pp. 675-6

46 *ibid*, pp.722-33 also pp. 758-60. Sir James Darling remarked to the author: 'I don't know why we couldn't just have written off Norton,' interview, 17 July 1990. On Ezra Norton's background and reputation see D. McNicoll, *Luck's a Fortune*, Sydney, 1979, pp. 242-6.

47 *SMH*, 23 February 1955.

48 D.W. Rawson, 'ALP Industrial Groups', *Australian Quarterly*, Vol. 27, No.4, December, 1954, pp. 30-46

Parliamentary Caucus and culminated in the disastrous Labor Party 'split' of April 1955.⁴⁹

In Sydney, the NSW Trades and Labour Council (TLC) 'Wireless Committee' which controlled Sydney radio station 2KY, decided on 20 January 1955 to contribute £10,000 towards a share of the Consolidated Press licence application⁵⁰. Despite Dougherty's earlier warning 'You can't win playing with Packer,'⁵¹ the decision was carried by 128 votes to 78, 'after a stormy debate'.⁵² Both the Wireless Committee and the TLC were dominated by the anti-Communist faction hostile to Evatt. *The Sydney Morning Herald*, itself involved in the licence hearings as the leading shareholder in the Amalgamated Television Services application, published extensive details of the squabble between the Australian Workers Union, led by Dougherty, and the Sydney TLC. At the same time, it reported that 'Labor's own [television] policy has been split by marked differences at high levels within the party,'⁵³ referring to the difference of opinion between Calwell and Evatt on the 'dual' policy, where Evatt accepted commercial participation in television and Calwell preferred a government monopoly.

Distracted by the political crisis within his own party, Evatt sought an adjournment of the hearing of his Melbourne application until after the Sydney hearings in February; but the request was refused by the Control Board.⁵⁴ He repeated identical lines of argument at both hearings but was cross-examined far more thoroughly in Sydney. Evatt insisted that his

49 See, R. Murray, *The Split: Australian Labor in the Fifties*, Melbourne, 1970, Chs. 5-10.

50 As part of the deal, Packer had offered the labour movement fifteen minutes a week free time, *SMH*, 21 January 1955.

51 *SMH*, 14 January 1955.

52 *SMH*, 21 January 1955.

53 *SMH*, 8 January 1955.

54 *SMH*, 25 January 1955.

application was intended to be an alternative to those of the newspaper/broadcasting/electrical conglomerates which were not representative of Labor interests. He argued that 'Smaller concerns should have an opportunity to come in.'⁵⁵ Evatt's distrust of the commercial press was evident in his criticism of the *Melbourne Herald* as a 'company which deals in information and opinion...and makes opinion.' He continued:

We feel that something must be done to resist the assumption that those who are great, powerful, wealthy and influential in the medium of mass communication known as the 'press'...and radio broadcasting should not have preference in this new and vital field of television.⁵⁶

Evatt denied that his opponents had any special expertise or affinity with the new medium; they were simply 'companies which are formed for the purpose of making profits.'⁵⁷ However making profits was a vitally important objective of commercial television and one the Control Board was concerned to foster. The framework for commercial television laid down by the Royal Commission depended on high levels of capital investment attracted by the prospects of large profits. Low budget proposals were not favourably considered. Evatt was forced to admit, under cross examination by Barwick at the Sydney hearings, that the ALP had as yet made no decision on the form of its proposed television organization or about how power was to be distributed within it.⁵⁸ However he stated that there would be no difficulty in obtaining the necessary capital 'from members of the Australian Workers Union,

55 *ibid.*

56 Transcripts of Television Licence Application hearings, Melbourne, 1955, Vol. 1 pt.1, pp. 163-4

57 *ibid.* pp.162-3.

58 *SMH*, 19 February, 1955.

members of other unions, and members of the Australian Labor Party, by means of a special levy approved for the purpose.⁵⁹

The Board submitted its Report on the Hearings to the Minister on 14 March 1955. It recommended that licences be granted, in Sydney, to Amalgamated Television Services Ltd, (John Fairfax and Sons Ltd) and Television Corporation Ltd (Consolidated Press), and in Melbourne, to the Herald and Weekly Times Ltd, and General Television Corporation Ltd, in its view, the most 'responsible and competent organizations'.⁶⁰

The Board's Report listed the qualities which were looked for among applicants. These had not been part of the published application criteria and were only to be found without exception in the leading consortia who were successful candidates. The five qualities were:

- (a) good character and high reputation;
- (b) directors and executive officers with a proper appreciation of the responsibilities imposed by a licence who had, 'the confidence of the community';
- (c) the ability to provide a quality service from the outset, even at the expense of loss;
- (d) Financial stability;
- (e) a good record in allied communication and entertainment fields.⁶¹

These criteria made it virtually impossible for an obscure or modestly capitalised company to obtain a licence. In conformity with the Royal Commission recommendations, the Control Board had made television a game for big players and only those who could afford to run the risks could hope to share in the rewards. The Board's report noted that the

59 Transcripts of Television Licence Application Hearings, Sydney, 1955, Vol. 1, part III, p.786

60 AA CRS A4906, Vol. 12, Control Board Report to Minister appended to Cabinet Submission 311, 1955, p. 33

61 op. cit. p. 25

privileges attached to the award of licences carried important obligations with them - not all of which were laid down in the licence conditions:

The first two commercial stations to be established in Sydney and Melbourne will undoubtedly have great advantages over others which may be subsequently established and... they will enjoy technical operating conditions which, because of the limited number of very high frequency channels...will be available for only a very restricted number of stations. The grant of licences will thus impose a great responsibility on the licensees.⁶²

On the other hand foreign capital investment in television stations was to be restricted to 20 per cent, hours of operation were to be fixed by the Board, and there were to be strict controls over the quantity and quality of imported film. Until these safeguards could be backed by legislation, they should be 'incorporated in the licences granted to commercial broadcasting stations.'⁶³

Commenting on the Board's recommendations in a Cabinet Submission of 6 April 1955, Anthony agreed that the successful candidates were those 'whose general standing in the community and financial resources...inspire confidence.'⁶⁴ He preferred to establish commercial television 'broadly on the same basis as existing commercial broadcasting stations', although he knew that capital concentration would be much greater. He rejected Evatt's argument that the newspaper consortia represented only one political viewpoint which should be counterbalanced by awarding a licence to the labour movement:

It would, I think, be wiser to adopt the recommendation of the Board that licensees of commercial television stations should be required to provide equal treatment for political parties. ⁶⁵

62 *ibid.* p. 24

63 *ibid.* p. 34

64 AA, CRS A4906, Vol. 12, Cabinet Submission No. 311, 'Grant of licences for commercial television stations in Sydney and Melbourne', 6 April 1955, p. 2.

65 *ibid.* p. 3.

Cabinet endorsed Anthony's recommendations on 16 April, with the proviso that licences were to be awarded for five rather than three years because this 'would be better from the viewpoint of both Government and licensee.' Cabinet also considered that the appointment of two independent directors to licensee Boards would be an ineffective control measure and a 'source of embarrassment'.⁶⁶

Anthony announced the names of the successful applicants on 18 April 1955, and at the same time listed the conditions under which licences could be held. Foreign ownership, in licensee companies was to be limited to 20 percent, and to 15 percent for any single individual or company, as the Board had recommended. Changes in shareholdings were to be approved by the Minister. The Control Board was to determine programme and advertising standards and to regulate hours of transmission.

By mid 1955, with the key-stone of the legislative framework (the 'dual' television policy) already in place, the licences allocated, and a draft frequency assignment plan published, the preparations for building a commercial television system in Australia began in earnest. A flurry of activity took place among the licensee companies to rearrange their shareholdings in line with the 20 percent foreign ownership provisions. The Board's 14 March report to the Minister recommended that foreign shareholdings in ATN be reduced from 36.4 to 15 percent; in TCN, from 32.7 to 20 percent; and in GTN, from 54.5 to 20 percent.⁶⁷ This requirement, in effect a political gesture on the part of the Government confronted in Parliament with Opposition protests against media

⁶⁶ AA CRS A4906, Cabinet decision, No. 393, p.4. On 4 February 1955, while giving evidence in support of his application Packer had said that a licence should be effective for not less than five years, 'because of the amount of capital involved.' *SMH*, 5 February 1955.

⁶⁷ AA CRS A4906, Control Board Report, p. 3.

monopolies and foreign control,⁶⁸ represented a frustration to licensee agendas.

A meeting between Osborne, of the Control Board and the leading shareholders of ATN which was held on 22 April 1955, illustrates this point. Those present included Rupert Henderson, since 10 March 1955, Chairman of ATN and representing Fairfax newspapers, C. Ogilvy, of 2GB - Macquarie Broadcasting, and F. Strahan of AWA.⁶⁹

Henderson said that in order to meet the shareholding conditions imposed by the Minister, ATN would have to be entirely reconstituted or would have to become a public company, a measure opposed by John Fairfax Pty Ltd. Osborne explained the Minister's concern that additional shares be allocated to other than existing shareholders 'so as to spread the ownership of television stations.'⁷⁰ In reply, Henderson suggested that as an expedient to 'spread' the shareholding without altering the formal composition of the company, shares be offered to Sir John Chandler (formerly Lord Mayor of Brisbane 1940-52, director of Chandlers Pty Ltd, former President of the Australian Federation of Commercial Broadcasting Stations, Chairman of Broadcasters (Aust.) Ltd), and L. Nettlefold (director of Commercial Broadcasters (Tas.) Pty Ltd, and of Davies Bros., proprietors of the *Hobart Mercury*). They would apply not

68 C.P.D. Debate initiated by the Deputy Leader of the Opposition, E.G.

Whitlam on a Matter of Public Importance, namely 'that the granting of commercial television licences to the successful candidates would create a communications monopoly,' and that the 'introduction of foreign capital [was] against the declaration of both Houses of Parliament'. C.P.D. Reps., 28 April 1955, pp. 246-256.

69 Frank Strahan was former Cabinet Secretary and Secretary of the Prime Minister's Department, 1935-49, Director of AWA since 1930.

70 AA MP 1170/5, B3 ATN, Meeting notes, 22 April 1955, p. 2.

through 2GB or Artransa but they would come into the company in their own right.'⁷¹

Osborne thought that this device would not be acceptable because he had to avoid the suggestion 'that people are trying to pull wool over the Minister's eyes.'⁷²

Henderson assured Osborne that ATN was 'desperately anxious to satisfy the Government's decision but it is not easy to get people with the money and the desire to invest in television', whereas, C. Ogilvy added, 'Mr Nettlefold told me that he would be prepared to invest £100,000.'⁷³

After discreetly asking Prime Minister Menzies through Sir Eric Harrison,⁷⁴ whether 'Osborne's statement accurately represents Cabinet's wishes?',⁷⁵ Henderson felt confident to re-allocate 150,000 shares from the 2GB-Macquarie group to the AWA group without the need for Stock Exchange listing. Only a 'closely-knit private company' he suggested, would be able to guarantee that programme standards would be placed 'before the demands of commercial success.'⁷⁶

By the time of publication of the Control Board's Seventh Annual Report on 24 October 1955, the re-allocation of shares along the lines outlined in Henderson's letter was complete and had been approved.⁷⁷

71 *ibid.* p. 2.

72 *ibid.* p.2

73 *ibid.* p.3

74 Sir Eric Harrison (Lib., Wentworth), Vice-President of the Executive Council, 1951-56.

75AA MP 1170/5 B3, Henderson to Menzies, 26 April 1955, claiming to write at Harrison's suggestion and asking for approval of an internal transfer of shares to associated individuals to prevent the necessity of a public share issue.

76 *ibid.*

77 The AWA Group now included 13 associated individuals and companies who took up the 150,000 shares from 2GB-Macquarie; ABCB Seventh Annual Report, June 1955, Canberra, p. 32.

Television Corporation was similarly required to reduce the shareholding of Associated Newspapers (UK) Ltd, Philips and Paramount in the company to no more than 20 percent. This was achieved by increasing the Consolidated Press majority shareholding by 169,493 shares (to a total of 569,493), and by increasing the number of shares offered for public subscription. Because Television Corporation was a public company, this re-allocation was comparatively straightforward.

While reducing the level of foreign investment in the four licensee companies in Sydney and Melbourne, the share re-allocations also had the effect of increasing the shareholdings of the dominant newspaper companies in Television Corporation, and General Television Corporation.⁷⁸ The other two licensees, Amalgamated Television Services, and Herald-Sun TV, maintained the status quo, the former by admitting a small number of associated shareholders to take shares forfeited by one group so as not to affect the relative voting strengths of the other parties, or overall control by John Fairfax and Sons Ltd. Herald Sun TV remained a subsidiary of the Herald and Weekly Times Ltd with the exception of 112,500 shares of a total of 750,000 held by Associated Newspapers (UK) Ltd.

By the end of 1955, the corporate framework of the Australian commercial television industry had been established. It was dominated by the country's leading newspaper, broadcasting and entertainment companies; and as the Liberal member for Oxley, D. A. Cameron, put it to Parliament in answer to Opposition fears about propaganda in the hands of the bosses:

Surely nobody objects to newspaper companies handling all the propaganda that they now handle through the medium of the press. If we

78 *ibid.* pp. 32-3.

can trust the newspaper companies to run the daily newspapers, why should we distrust them in respect of managing television?'⁷⁹

It was a question which would have elicited a doubtful response only from the ALP, or from those small 'l' liberal interest groups which had ranged themselves against the Government's commercial television policy from the beginning. In 1955 the idea that the commercial press represented anything like a conspiracy of interest against the democratic rights of the community had not yet become an issue of serious political

debate. *was a proposition which could be rejected with impunity by the Menzies government with its healthy majority in the Parliament.*

⁷⁹ C.P.D. House of Representatives, 21 September 1954, p. 1447.

Chapter 3.

A service of the highest standard

On 19 April 1955, the Postmaster-General, H. L. Anthony, revealed the names of the successful applicants for the four commercial television licences in Sydney and Melbourne. Television was expected to commence in about eighteen months beginning with thirty hours transmission per week.¹ His announcement coincided with the opening of the autumn session of Parliament during which ALP backbenchers; Joshua, Andrews, Bourke, Mullens, Cremean, Bryson and Keon dramatically signalled their defection from the ranks of the Parliamentary Party. In the leadership spill that evening, H.V. Evatt was re-elected as Leader of the Opposition by 52 votes to Arthur Calwell's 27.²

Evatt's immediate reaction to the Government's decision to award commercial television licences to the newspaper groups was to warn that the new licensees constituted 'so serious a build-up of monopoly capitalism in Australia that the public interest cannot possibly be protected.'³ However the credibility of Evatt's claim that his licence bid could have functioned efficiently on a co-operative basis, was effectively undermined by the Split. 'The Labour Movement,' he argued:

would have established a co-operative concern on the basis of voluntary shareholding by the rank and file both of industrial and political labour. This would have rendered a great public service, rendered without regard to profit making and would never have been allowed to become a mere machine of political propaganda.⁴

¹ *SMH*, 20 April 1955.

² *C.P.D., Reps.*, 19 April 1955, p.3. For an account of the voting in the leadership ballot see D.W. Rawson, 'Political Chronicle', *Australian Journal of Politics and History*, Vol.1, Jan-June 1955, pp. 100 -101.

³ *SMH*, 20 April 1955.

⁴ *SMH*, 20 April 1955.

Evatt conjured up this vision of selflessness and harmony at the same time as he was being derided by former colleagues for leading a labor 'remnant' which would soon be a 'mere front of the Communist Party,'⁵ and his appeal lost its impact accordingly, especially with those unions whose Executives, dominated by Groupers or their sympathisers, had already bought shares in successful licensee companies.

In Parliament, the Opposition attacked the Government's award of licences to the newspaper companies on two grounds: that it would create a propaganda monopoly, and that it would allow foreign control over the mass media.⁶ In reply Anthony pointed out that there was no general objection to a certain amount of foreign investment in Australian industry and that 'television is an industry.'⁷

A. Fairhall (Lib. Paterson), poured scorn on E. G. Whitlam's (ALP, Werriwa) accusation that the Government was attempting to exercise 'thought control...because the newspapers...support the political point of view propounded by the Government coalition.'⁸ Fairhall argued that although there was no media interest which could 'conceivably be linked with the Government, there are five Labour controlled stations in the capital cities which are pouring out a steady stream of Labour propaganda.' He found 'ample evidence of competition between various groups' of press and broadcasting interests and argued that such combinations were necessary to ensure adequate capital backing for the development of television.⁹ In his own defence Anthony argued that the successful licensees represented 'a

⁵ C.P.D. Repts. 20 April 1955, p.17.

⁶ C.P.D. Repts. 28 April 1955, pp. 246-56.

⁷ C.P.D. Repts. 27 April 1955, p.163.

⁸ C.P.D. Repts. 28 April 1955, p. 247.

⁹ C.P.D. Repts. 28 April 1955 pp. 254-5.

cross-section of Australian industry and commercial interests that could not be bettered.¹⁰

Orwellian references to 'thought control' were met by the Government's counter appeal to ideals of economic and cultural pluralism. Calwell's accusation that 'the Government represents big interests generally, very big interests, big electronic manufacturing interests and the like,'¹¹ and not, by implication, the interests of all the people, was indicative of the tendency of some Labor leaders during the fifties to characterize Australian society in the class-war terms of the preceding twenty years. Their protest against the industrial energies that flourished in the post-war revival of manufacturing and consumer markets remained politically ineffective while the economy delivered the goods to a satisfied majority.

The months leading to the federal election called for 10 December 1955 were marked by further factional purges within the ALP, public recriminations between it and the newly formed Anti-Communist Labor Party, and Evatt's political ineptitude during the September debates on the Petrov Royal Commission Report. The election resulted in an increase in the Menzies Government's majority from seven to 28 seats. Evatt himself retained his seat of Barton by only 226 votes, but he was re-elected Leader by Caucus on 13 February 1956, by 58 votes. Calwell remained Deputy leader by a margin of 42 votes. Until the end of the decade Labor was to remain, as L.C Haylen recalled in 1969, 'the camp of lost causes.'¹²

On the Government side, after the election, H. L. Anthony was replaced as Postmaster-General by C. W. Davidson (C.P., Dawson), Country Party Whip and on Fadden's retirement in 1958, Deputy Leader. While Anthony had presided over the formation of the corporate structure of the commercial

¹⁰ C.P.D. Repts. 27 April 1955 p.163.

¹¹ C.P.D. Repts. 28 April 1955 p. 253.

¹² L. C. Haylen, *Twenty Years Hard Labor*, Macmillan, 1969, p.3.

television industry, Davidson was to oversee the first eight years of its operation.

By 30 September 1955 the licensees had arranged their shareholdings to reflect the foreign ownership provisions laid down in Regulations made (under the 1953 Television Act) on 10 November 1955.¹³ The fact that these and other conditions were not incorporated in the wording of the licences themselves was something of a victory for the licensees, who had suggested during several conferences between their representatives and the Control Board's Chairman, R.G. Osborne, that licence conditions appear in the form of statutory regulations only.¹⁴

Licences were granted for five years from 1 December 1955 by which time the licensees had been engaged for at least six months in intensive administrative and technical planning in co-operation with the Control Board. Channel allocations had been announced by the Minister on 1 July 1955. In Sydney, Amalgamated Television Services and Television Corporation had agreed between themselves to accept the Control Board's allocation of channels 7 (181-188 mc/s) and 9 (195-202 mc/s) respectively. In Melbourne, allocations of channel 7 to Herald-Sun TV, and 9 to General

¹³ AA MP 1170/5 B3, Anthony to Secretary ATN, H.W. Chester, 1 December 1955; date of regulations in ABCB Eighth Annual Report 1956, Government Printer, Canberra, 3 September 1956, p. 30.

¹⁴ AA MP 1170/5 B3 Osborne to Henderson, 7 November 1955. Conferences took place on September 1 and 19. Osborne told Henderson that the licences would 'as suggested by licensees, contain no conditions at all'. Osborne's Notes of a meeting on August 30 between himself and licensee representatives indicated that it was ATN's representatives who 'raised the question as to whether it would not be preferable to express all the conditions in the form of Regulations in order to avoid any possible future difficulties in interpretation.' Meeting Notes, 30 August 1955 p. 2.

Television Corporation were decided by lot. The national stations in both cities were allocated channel 2 (63-70 mc/s).¹⁵

Another issue of importance to licensees was the allocation of call signs. The call sign, to be incorporated in station identification 'billboards,' became the corporate identity of the station recognized by its audience. In an interview with Osborne in July 1955, Amalgamated Television Services representatives F. Strahan and J. D. Patience said the Company 'preferred to use the call sign ATS' which consisted of the Company's initials. The Control Board later decided that a station identification code should consist of two licensee company initials and a third letter indicating the State in which the station was located.¹⁶ The four commercial station call signs became ATN 7 and TCN 9 in Sydney, and in Melbourne HSV 7 and GTV 9. The national stations were designated ABN 2 and ABV 2 in Sydney and Melbourne respectively.

With the Olympic Games to be held in Melbourne in November 1956 nominated as the preferred target date for the commencement of television services, the Control Board were anxious that licensees assemble technical equipment and acquire staff and stocks of suitable programmes as quickly and efficiently as possible.

The framing of the technical, advertising, and programme standards, the process of determining the rules by which the industry would operate, was the Control Board's responsibility. The Board was aware that smooth progress towards the establishment of a viable industry required the highest

¹⁵ AA MP 1170/4 TF 3/1 pt.1 ABCB Minutes No. 2049, 6 June 1955 (commercial stations) and No. 2142, 5 June 1955 (national stations) Also Osborne to Chippindall (Director-General of Posts and Telegraphs), 21 June 1955. Osborne said that copies of the ABCB's provisional technical standards had been made available to licensees 'on a confidential basis' to enable equipment specifications to be drawn up.

¹⁶ AA MP 1170/5 B3, J. O'Kelly (Secretary of ABCB) to H.W. Chester, Secretary of Amalgamated Television Services, 7 June 1955.

degree of co-operation from licensees. The *Broadcasting and Television Act, 1956*, together with its associated Programme and Advertising Standards were products of detailed and intense negotiations between the Board and licensees, and reflected the preoccupations and interests of both parties.

The issues that made up the substance of the negotiations between the parties began to emerge immediately after licences were formally granted in December 1955. In response to a request from the Board for a report on the station's progress, ATN's General Manager C. G. Alexander told Osborne that a site for the studio buildings had already been acquired at Eastwood and work was to begin in the new year. Transmitter equipment had been ordered from the Marconi Company in England, and a contract had been let to Johns and Waygood Ltd for construction of the transmission tower. Staff appointments had also been made: a Chief Engineer, M.H. Stevenson, and two programme executives, J. H. Oswin 'whom you know,'¹⁷ appointed as Assistant to the General Manager (whom he was to succeed from November 1956), and W. N. Frecker 'who was with Canadian Broadcasting Service, Television Division, for eight years, as Chief Cameraman and Producer/Director.'¹⁸

Alexander anticipated that transmission could begin at the earliest on 1 November 1956, for up to five hours per day, seven days a week. Although he was not yet certain about which hours during the day the station would transmit, he was sure that the

views expressed by some members of the Royal Commission that there should be a compulsory break in transmission of one hour after the Children's programme... [would] have a tendency to increase the cost of

¹⁷ J. H. Oswin, formerly publicity officer of Macquarie Broadcasting Ltd 1949-52, and sales manager of Artransa Ltd 1952-4; also SMH, 31 October 1956, announcing Oswin's appointment as General Manager of ATN to 'supervise station administration, programmes and sales'.

¹⁸ AA MP 1170/4 TL 1/1 pt 1, Alexander to Osborne, 29 December 1955.

television to the clients, and it is our hope that television costs in the beginning can be kept to a minimum.¹⁹

ATN's rival, Television Corporation (TCN), had also made an early start. On 15 December their Chief Engineer, J.N. Briton informed the Board that construction of the studio and transmission buildings 'is commencing today.' The transmitting equipment, from the Dutch company, Philips, was 'on a ship which is expected in Sydney on 7th January next,' and

arrangements are now being made with the Technical Education Department of NSW...to make space available at the Technical College in Burwood for the assembly of the 5 kw Transmitter.²⁰

By 16 January, Briton was able to advise that the transmitter had been assembled and 'made experimentally operational.'²¹ TCN's use of technical college facilities for the assembly of its transmitter provided valuable training for staff in the new technology as well as giving TCN a head start in what was becoming an unofficial race to be first station to telecast. Briton now asked Osborne for permission 'to make unadvertised and unscheduled test transmissions commencing during February,' with assurances that 'Vision signal input sources will be test-patterns only, at least until mid-March when a slide scanner and camera chain are expected to be available.'²²

¹⁹ *ibid.*

²⁰ AA MP 1170/4 TL 1/1 pt 1, Briton to O'Kelly, 15 December 1955.

²¹ AA MP 1170/4 TL 1/1 pt 1, Briton to Osborne, 16 January 1955 He told Osborne 'First-class space and facilities have been made available to us by the Director of Technical Education and his officers, with the approval of the Minister of Education, and we are looking forward to fruitful collaboration with them over the next three months.'

²² *ibid.* Following discussions between Briton and the engineer member of the Control Board, Bruce Mair, whose 'main concern regarding experimental transmissions is to insure that the first television pictures should not be of poor or noisy quality.' TCN's Acting General Manager C. Sheil advised Osborne that the reasons for the experimental

In Melbourne on 3 January 1956, Keith Cairns, Manager of Herald-Sun TV (HSV), advised Board Secretary, O'Kelly, that construction of the transmitter building had started, and conversion of the company property in Dorcas Street, South Melbourne, to accommodate studio facilities, was progressing.²³ The transmission equipment, imported from the United States, was to be installed in March. The tower would be completed in April. HSV had negotiated through its partners Associated Newspapers (UK) Ltd a supply of programme material from Associated Rediffusion which was expected to include 'the output of the Douglas Fairbanks Studios and a number of programmes owned by the American CBS network'. Cairns reported that the company was 'combing the American field for attractive features available from our limited dollar resources.' On the local front, 'Contracts have already been entered into with outstanding Victorian personalities, particularly in the field of sport'...'and we have firm arrangements with Melbourne's principal repertory groups giving us first call on their production.'²⁴

Herald-Sun TV had appointed J.H. Fisher, formerly divisional Engineer of the PMG, as Chief Engineer.²⁵ Fisher's appointment was a coup for the

transmissions were purely technical. AA MP 1170/4 TL 1/1 p1 1, Sheil to Osborne, n.d. about 28 February 1956.

²³The Herald and Weekly Times *House News* Vol. 25, No 4, May 1955, notes: 'In quarters originally occupied by Colorgravure, and more recently by the book department, the studios and administrative headquarters of the television station will be built.' and ' Plant, equipment, new buildings and building alterations will cost about £600,000.' p.3

²⁴ AA MP 1170/4 TL 1/1 pt 1, Cairns to O' Kelly, 3 January 1956. Keith Cairns was a former Chief of Staff of the Melbourne *Sun*, 1948-53, and Deputy Chief of Staff of the *Herald*. He was appointed Manager of Herald-Sun TV in 1955.

²⁵ J.H. Fisher was a member of the team sent to the US, Canada, Britain, and Europe on behalf of the Television Advisory Committee in 1951. See Ch. 1 above.

station as he brought the most advanced technical expertise to the job, having been a key advisor to the Television Advisory Committee and the Control Board, and a question was asked in the Senate about why he had resigned and whether any attempts had been made 'to retain his services.'²⁶ Keith Cairns also proposed that Herald-Sun TV would transmit test patterns and from 15 July 1956, show films 'which we believe would stimulate sales of receivers.'²⁷ He hoped to begin transmissions in August with 19.5 hours per week, which could be increased to 35 hours 'by October or November.' Cairns indicated that a co-operative programming arrangement had already been made with Packer's Television Corporation in Sydney:

Agreement has been reached with Television Corporation Limited of Sydney that, subject to equipment deliveries, the two stations should seek Board approval officially to begin transmissions on Sunday, July 15. ²⁸

Cairns rejected the idea of a proposed break in transmission between the children's and adults' viewing times, in more forthright terms than attempted by ATN's C. G. Alexander (above). In addition to the arguments that interruptions to transmission wore out the equipment and that 'costs to clients' were increased, Cairns pointed out that interruptions were bad for advertising sales, and added that the supervision and control of children was the responsibility of parents, and intervention for sociological reasons was inconsistent with the commercial objectives of television. It was a policy which had 'never been considered necessary or desirable in national or commercial radio' nor 'applied to television in Canada or America.' Furthermore:

British experience underlines the problem of quickly recapturing an audience when interest is not sustained by programme continuity, with the

²⁶ C.P.D., Senate, 7 September 1955 p. 21, and 21 September 1955, p. 232.

²⁷ *ibid.*, Cairns to O'Kelly, 3 January 1956.

²⁸ *ibid.*

result that time sales tend to diminish in the period immediately preceding and following the break.²⁹

Following Cairns' letter, J.F. Williams, the Managing Director of Herald-Sun TV(and a Director of the Herald and Weekly Times Ltd) and Cairns, together with Frank Packer and Colin Sheil of Television Corporation, interviewed the Control Board Chairman, R. G. Osborne, to thrash out some of the details of the conditions under which stations would be allowed to operate. The licensees were concerned that the operational ground rules should not inhibit stations' commercial functions and they decided to put the case for the greatest degree of self-regulation from the outset. In Osborne's record of the discussion, Williams began with the general proposition that:

we should have the utmost liberty to develop our service with the fewest possible restrictions. Let us see if we can behave properly before rules are made; give us a chance to see what we can do before a net is cast around us.
30

With regard to commencement dates and operating hours, Williams submitted that hours would be restricted by the availability of programming and should not be subject to artificial restraints. Starting dates should also be determined by whoever was ready first, 'We don't know who will be ready first but we should all be prepared to take that risk,' he said, knowing that this was most likely to be programme-partners TCN and HSV themselves.³¹ Packer reinforced Williams' argument by reference to open competition:

²⁹ *ibid.*

³⁰ AA MP 1170/4 TL 1/1 pt 1 discussion notes by Osborne, January 1956.

³¹ On the other hand, the General Manager of Melbourne's General Television Corporation, Colin Bednall who wrote in reply to O'Kelly's request for a progress report that it was not yet possible to 'give a firm date for the commencement of a regular public service' and he did not wish 'to inflict any production experiments on the viewing public.' He added that his company 'sees the wisdom of the Board's desire to have more information on programme availability before determining hours of

we were all granted licences at the same time and we should be free to commence service when we are ready. Public money has been invested in our Company and it should be put to work.³²

Osborne conceded that although some manufacturers and licensees had agreed that there should be a common commencement date, 'circumstances seem different now and we are aware of the complications which might arise if there were unequal rates of progress on the part of licensees.' He promised to consult licensee representatives further on this matter. On regulating hours of operation he was firm. Despite licensees' claims that it was not the Control Board's business 'there is another view that it would be in the public interest to keep hours down. There are financial and social problems to be considered' and 'hours will have to be related to availability of programmes'.

While both Packer and Williams argued that stations be allowed to self-censor material to be telecast, Osborne reminded them that all imported film, including television film was legally subject to censorship by the Chief Censor, Department of Trade and Customs. Packer objected on the grounds that it was 'very slow,' and 'we have been waiting for a fortnight for some material we have imported.' Osborne replied that 'the Censor is prepared to make special provision for examination of television film' to expedite the process.

On the matter of foreign exchange quotas being applied to the import of foreign film for television, Williams complained that the £30,000 in foreign exchange allocations allowed to each station every six months for the purchase of foreign films was 'quite inadequate' and he intended to approach the Treasurer for an additional amount. Osborne agreed 'the present figure is a bit low' but he argued that it was 'intended to cover the

operation.' AA MP 1170/4 TL 1/1 pt 1, Bednall to O'Kelly, 13 February 1956.

³² AA MP 1170/4 TL 1/1 pt 1 Discussion notes, Osborne, January 1956.

first period of six months and was...subject to review.' In conclusion Osborne assured the licensees that their desire to 'have as much freedom as possible' was 'also the Minister's view', and that the Board's standards would be 'of considerable assistance to you and not the reverse.'³³

While the Control Board sought to obtain the highest degree of co-operation from the industry in the formulation of programme and advertising standards they were also aware of their obligations to the Government and the public. J. R. Darling, the Board member largely responsible for drafting the programme standards, wrote later that at the time the standards were drafted 'we really did believe that television could be a powerful influence for good in the country and that through the box a true democracy could be born.'³⁴

The standards were designed to regulate the whole range of day to day television programming issues; in Darling's words:

the number of hours in which broadcasting was to be allowed, the designation of special periods and conditions for family viewing and for children, the rules governing advertising, and the general standards for programmes. These last involved rules about political broadcasting, particularly at election times, provision for religious programmes and some rules concerning matters of health.³⁵

Given the pressure already apparent from the licensees for self-regulation, it was unlikely that the Board would be able to impose any commercially restrictive regulatory constraints on them, a point acknowledged by Darling who said later: 'we knew in our hearts it was a fairly futile exercise'.³⁶

The Control Board might have been warned by the example of the Federal Communications Commission (FCC) in the United States. When the Board's Programme Services officers sought details of American

³³ *ibid.*

³⁴ Darling, J. R., *Richly Rewarding*, p. 212.

³⁵ *ibid.* p. 211.

³⁶ *ibid.*

broadcasting standards, they found that in the United States 'the matter of programme content and standards is left to self-regulation within the industry.'³⁷ Moreover, the US Communications Act, 1934³⁸ expressly denied the FCC the power to impose censorship of any kind on broadcasters. For its part, the US National Association of Radio and Television Broadcasters (NARTB) provided a code of practice for its members which gave the widest possible scope for interpretation. It claimed that stations abiding by the code could be trusted to

intelligently and sympathetically observe the proprieties and customs of civilized society, respect the rights and sensitivities of all people, honour the sanctity of marriage and the home, protect and uphold the dignity and brotherhood of all mankind.³⁹

The Control Board's Programme Services research staff observed that although the Code was supposed to have been applied in the United States from 1 March 1952, 'Of the 107 television stations in operation there, only 70 are members of the NARTB, and of this 70, only 62 and 2 networks accepted the code in principle.'⁴⁰

Clearly, self-regulation as practised in the United States could not simply be imitated in Australia where a Royal Commission had recommended, and the Government endorsed, the regulatory role of the Control Board to

³⁷ AA MP 1170/4 TS 3/3 pt 1, ABCB Minute, 'Programme Standards for Television' n.d.

³⁸ Communications Act, 1934, No.416, June 19, 1934, Full text in Barnouw, *History of Broadcasting*, Vol II, Appendix B, pp. 311-347. Section 326, quoted in the ABCB Minute reads: 'Nothing in this Act shall be understood...to give the Commission the power of censorship over the radio [or television] communications...and no regulation shall be promulgated...which shall interfere with the right of free speech by means of radio[or television] communication.' *The right of free speech being an article of the US Constitution.*

³⁹ AA MP 1170/4 TS 3/3 pt 1, quoted in ABCB Minute, 'Programme Standards for Television.'

⁴⁰ AA MP 1170/4 TS 3/3 pt 1, ABCB Minute, 'Television Programme Standards' n.d.

define and enforce, suitable advertising and programme standards. While the 48 page NARTB voluntary code dealt comprehensively with issues of taste and decency, because of the general nature of its provisions, none were to be the basis of legal intervention from the FCC; rather they defined, for the convenience of broadcasters, the outside limits of what was acceptable.⁴¹ In contrast, the Control Board's task was to set positive standards for programming and to make these unambiguous and specifically enforceable. By late January 1956, the Control Board had prepared a draft of standards based on the NARTB Code of Practice, the United Kingdom Television Act, 1954⁴² and its own advertising standards for radio broadcasting. As Osborne had indicated in his meeting with J. F. Williams and Frank Packer and their chief executives earlier in the month, the draft standards were submitted to licensees for their comments. A conference was called for 23 January 1956, between the Board, and the General Managers of the four stations and their deputies, to discuss licensee views.⁴³

In his opening remarks to licensees, R.G. Osborne stressed that it was the Control Board's responsibility to ensure that proper programme standards were maintained but that they intended to exercise this responsibility in consultation with licensees. It was a relationship which was resisted by the

⁴¹ *ibid.* The Code was largely concerned to curtail obscene speech, sexual licence, and racist ridicule on radio and television. Also see E. Barnouw, *Tube of Plenty*, pp. 355-6.

⁴² A detailed discussion of the provisions of the UK Television Act, 1954 is in B. Sendall, *Independent Television in Britain*, Vol 1, London, 1982, pp. 32-4.

⁴³ AA MP 1170/4 TS 3/3 pt 1, Minutes, ABCB Conference with Licensees of commercial television stations, 23 January 1956. Those present included the full Control Board, R. G. Osborne, B.Mair, J. R. Darling and R.M. White: from HSV, K. Cairns and H. Pacini; from GTV, G. Warner and V.Harrison; from ATN, C.G. Alexander and W.N. Frecker: from TCN, C.H. Sheil and J.R. Kitto.

commercial stations. H. Pacini of Herald-Sun TV said that his company had doubt about the whole concept of imposing standards on the industry:

It had been hoped that licensees would be entrusted with the complete responsibility of the programming of their stations without any undue restrictions. His company regarded the draft programme standards as restrictive and in some respects unworkable.⁴⁴

C.H. Sheil of Television Corporation added that it was 'impossible for licensees to meet the requirements specified and at the same time operate on an economic basis;' in his opinion the time restrictions on the scheduling of children's and family programmes would 'place too great an economic burden on licensees'. J. R. Darling, seeing fundamental issues at stake, bridled at this. He said firmly that it was 'no use telling him that parents would select programmes for their children to view.' Darling was not to be put off by the station executives' desire to place all responsibility for the suitability of children's programming on the shoulders of the viewer. Nor did he accept as sufficient guarantee, ATN's C.G. Alexander's earnest assurance that he 'felt that no operator would present programmes for the home which he would not desire his own children and family to see.' Darling impressed upon the licensee representatives that television's effects on its audience were much greater than those of existing media and 'although he recognized that their services had to pay,' they must adhere to standards which would 'ensure that television would be an influence for good and not for bad.'⁴⁵ Darling wrote later that the media's 'refusal to accept any educational responsibility for the elevating of public taste' constituted a betrayal of its public duty.⁴⁶

At the heart of what Darling perceived as 'refusal of responsibility' was the unwillingness of business to accept responsibility for promulgating 'core'

⁴⁴ *ibid.*, p. 2. Herbert Pacini was General Manager of the Melbourne *Sun*, 1933-1957.

⁴⁵ *ibid* p. 3.

⁴⁶ Darling, J.R., *Richly Rewarding*, p. 218.

social and moral values in a modern pluralist democracy. This was a social condition in which Australian dispositions were more akin to those of United States than to the United Kingdom. In Britain, it had been more politically acceptable to place greater bureaucratic restraints on commercial television because of the existence of a broader dominant consensus about the values to be propagated, a consensus which extended beyond political party lines. This consensus had made the existence of the BBC's long broadcasting monopoly possible. The creation of the Independent Television Authority in 1954, with its complex regulatory structure, which contrived the structural separation of programme making and advertising functions, and insisted on a high quota (at least 80 percent) of British programmes, demonstrated that the desire to use broadcasting as a vehicle for social improvement still informed broadcasting policy in post-war Britain.⁴⁷

In contrast, during the discussions on the draft Australian standards, general references to what was 'undesirable in the public interest', and 'individual opinions of the public,' were objected to by licensees on the grounds that they were 'so wide that licensees could easily find themselves in trouble.'⁴⁸ Osborne replied to this that some

general reference to the public interest was unavoidable. The phrase had no fixed meaning and must be construed in the light of current events and developments in taste and interest of the public.⁴⁹

⁴⁷ See Smith, B., *The Shadow in the Cave*, Ch. 2, part 1 and; B. Sendall, *Independent Television in Britain*, Vol. I, Part I Ch 8, and Part II Chs. 16 and 17 and; A. Briggs, *History of Broadcasting*, Vol IV, Ch 2. On page 63, Briggs quotes from a 1944 Memorandum by Reith, which described the BBC Home Service as 'the real Home programme of the people of the United Kingdom, carefully balanced, appealing to all classes...and generally so designed that it will steadily but imperceptibly raise the standard of taste, entertainment, outlook and citizenship'.

⁴⁸ H. Pacini, Conference Minutes, 23 January 1956, p.4.

⁴⁹ *ibid.*, p. 4.

Apart from specific references to the most obvious excesses, the Control Board was itself unwilling to venture positive definitions of the values to which programmers should aspire, even Darling himself admitted that it was 'quite impossible to lay down standards of children's programmes - to say in words what is good and what is not.'⁵⁰ In the end, despite protests from the licensees, the Board decided in favour of a policy of time restrictions which, while providing no positive guide for programme content, at least prevented programmes classified by the censor as 'AO,' from being viewed before 8.30pm.⁵¹ Similar difficulties arose with regard to religion. The Board's standards provided that stations must telecast 'matter of a religious nature,' with a minimum of 30 minutes per week, presented 'by responsible persons or bodies'. After assuring the Board that licensees 'were anxious to give proper regard to religion,' Pacini pointed out that there were 'sixteen denominations in Melbourne covering from 3,000 to 800,000 persons,' and Sheil asked what was meant by 'responsible persons.'⁵²

The Television Programme Standards, published on 3 September 1956 as Appendix D to the Control Board's Eighth Annual Report, were negative in tone, with an emphasis on preventing specific abuses. Positive values were encouraged, but only in general terms in the introductory paragraphs, or as 'recommendations.' As Darling wrote in the Introduction:

Much of what follows is necessarily of a negative nature and may indeed be regarded as almost self-evident...negative regulations may eliminate abuses; only the goodwill and high purpose of those who actually operate the

⁵⁰ *ibid.*, p. 5.

⁵¹ *ibid.* H. Pacini said 'All time restrictions should be removed and parents should rely on station classification of material and screened warnings such as 'This program is not suitable for children'. Osborne said 'The Board did not accept this as sufficient'.

⁵² *ibid.*, p. 6.

stations and plan the programmes can ensure that television will be used constructively for the welfare of the community.⁵³

While the standards allowed licensees to exercise the greatest possible degree of discretionary responsibility in programming, there was little to compel them to take advantage of it in a positive way.

The Control Board had a more straightforward task to formulate advertising standards. They were able to rely almost entirely on standards set for commercial radio with time adjustments which took into account relative costs. A conference was held on 10 February 1956, between representatives of national advertisers, advertising agencies, and R.G. Osborne and B. Mair of the Board, to discuss industry reactions to the draft Standards.⁵⁴

Industry concerns about draft programme standards centred on the Board's time restrictions on the showing of adult films before 8.30 pm, which they wanted liberalised or removed altogether (as Clemenger put it 'every time you mention 9.00 pm in the standards we think it should be 8.00pm'), because such restrictions limited their potential markets. Clemenger said that he 'did not think there should be any censorship. It should be left to the licensees to ensure that suitable material is televised.' Advertisers and agencies were opposed to restrictions on liquor advertisements on the various grounds that children could 'see plenty of advertisements for liquor

⁵³ ABCB Eighth Annual Report, Appendix D, 'Television Programme Standards', Introductory, para. 3. Darling made particular mention of the fact that it was 'not sufficient that these standards should be regarded as a formal set of rules to be complied with to the letter: they must also be regarded as a practical guide to licensees and be applied in the spirit which this paragraph has endeavoured to indicate'. para. 3.

⁵⁴ AA MP 1170/4 TS 3/3 pt 1, ABCB Notes of Meeting with Advertisers, 10 February 1956. Present were: The Control Board, (Osborne, Mair, Darling and White); J. Clemenger, President of the Australian Association of Advertising Agencies (A.A.A.A.), J. Humphrey, Secretary A.A.A.A., R.R.Walker, and A.N. Kemsley; and of the Australian Association of National Advertisers, H. Fader, Past President, T. O'Brien, Deputy President, and J.H. Bowden, Federal Secretary.

in newspapers', that 'advertisements for alcohol have been amongst the best presented on broadcasting', and because we would not advertise anything to encourage juvenile drinking'.⁵⁵ Advertisers agreed with licensees that there should be no provision for a mid-evening programme break.

There was some minor bargaining as advertisers attempted to convince the Control Board to increase the maximum time permitted for advertising from three to four minutes per 30 minutes of programme time, and to increase the time allowance for advertising during 'shopping guide' and 'give-away programmes,' where there was multiple sponsorship, to four and a half minutes instead of three, per half hour. The advertisers also pressed for liberalisation of the special advertising restrictions on Sundays and religious holidays. In Clemenger's view, 'the same conditions should apply on Sundays as on weekdays'.

A potential rift between advertisers and licensees appeared when advertisers argued that licensees should not have the sole right to decide what programmes should be shown. In the United States there had long been disagreement between broadcasters and advertisers over control of programming. During the ascendancy of radio broadcasting, advertisers had routinely censored programmes and had withdrawn support of programmes which, for various reasons they disliked. The television networks, led by W.S. Paley of CBS, had led the fight to control programme policy and by the end of the fifties had won decisively. Shows sponsored by individual companies were replaced by 'spot' advertising, where the networks retained control over the right to sell advertising time. At the same time, the networks consolidated their monopolization of programme

⁵⁵ AA MP 1170/4 TS 3/3 pt 1, ABCB Discussion Notes, 'Draft Television Programme Standards - Meeting with Advertisers', 10 February 1956.

sources by purchasing film production companies.⁵⁶ In Australia the television station licensees were to have control over programming from the beginning, as a matter of policy. In response to Clemenger's and Walker's protests that 'the provision of programmes should not be exclusively restricted to licensees,' Osborne replied:

The primary responsibility for everything that is broadcast or televised rests with the licensee. That is a principle from which it would be difficult to depart. The axe falls on licensees if they fall down on the job.⁵⁷

Osborne's concern that licensees retain control over programme content was derived from his regulatory responsibilities to enforce their observance of the standards. He was not interested in protecting their bargaining position against the advertisers. In the event, advertisers competed enthusiastically to buy high rating shows despite being denied right of appeal over scheduling decisions. Advertiser support ensured the early and spectacular increase in transmission hours and advertisers concentrated their lobbying efforts on obtaining more television licences in the main metropolitan markets and on extending transmission coverage to country markets.⁵⁸

⁵⁶ See Barnouw, E., *Tube of Plenty*, pp. 163-4, 190-91. The networks had asserted their control of programming by gradually cutting out syndication or group purchasing of programmes by affiliate member stations during the fifties. In 1956 there were 30 syndicated prime time series being shown on US television, by 1959 there were 15, in 1960 ten, and none by 1965. Figures quoted in A. F. Reel, *The Networks*, New York, 1979, p. 68. Spot purchasing of advertisements was introduced by S.L. Weaver, advertising manager of NBC. See also Cantor, M.G., *Prime Time Television, Content and Control*, New York, 1980.

⁵⁷ Discussion Notes, Meeting with Advertisers, 10 February 1956, p. 5.

⁵⁸ AA MP 1170/4 TA 2/1 pt 1, ABCB notes of Conference with representatives of advertising bodies on 23 March 1956. R. R. Walker asked Osborne 'whether any decision had been made with regard to the extension of service to areas other than Sydney and Melbourne.' p.4.

After considering the opinions of both licensees and advertisers, the Control Board reviewed the draft standards at a meeting on 27 February 1956. They agreed, in the face of united opposition from advertisers and licensees, to drop the suggested early evening transmission break for a trial period of six months until a proposed Children's Television Advisory Committee should report on programs, and to maintain the time restrictions which called for the showing of 'good wholesome family type' programmes between 5.00 and 7.30 pm on weekdays, and at any time before 7.30 on Saturday and Sunday.⁵⁹

The Control Board was responsible for enforcing the observance of its Programme Standards under Section 40 of the Broadcasting and Television Act, 1956, which was introduced to Parliament on April 19 and which gained assent on 20 June 1956.⁶⁰ In introducing the legislation the Minister, C.W. Davidson, made it clear that while the Government expected 'the board to discharge its duties in this field fearlessly, it does not believe that this necessarily will involve bureaucratic controls and interference with private enterprise.'⁶¹ Davidson's speech indicated the spirit in which the Government meant the legislation to be interpreted and in terms which encapsulated its future dilemmas. On the one hand commercial television had to be regarded as 'a business undertaking' in which 'large sums of money have to be invested' and 'the people who invest the money are entitled to expect a reasonable return on their outlay.' On the other hand, Davidson declared:

⁵⁹ AA MP 1170/4 TA 2/1 pt 1, ABCB, Extract from Minutes of 5th Meeting, 27 February 1956. The Board noted that the proposed standards 'were to be regarded as of a tentative character, to be confirmed or revised after a trial period of six months and that it was not to be assumed that the question of a break in transmissions had been finally disposed of.'

⁶⁰ Broadcasting and Television Act, No 33. 1956. An Act to amend the Broadcasting Act 1942-1954, and for other Purposes.

⁶¹ C.P.D. Repts. 19 April 1956, p. 1538.

the conduct of a commercial television service is not to be considered as merely running a business for the sake of profit... Because of the influence they can bring to bear on the community, the business interests of licensees must at all times be subordinated to the over-riding principle that the possession of a licence is... a public trust for the benefit of all members of our society.⁶²

The Opposition saw that the Broadcasting and Television Bill did not restrict in any substantial way the operation of the commercial instincts of licensees. H.V. Evatt's proposed amendments included a quota of 55 percent Australian programme content, the re-constituting of the Joint Standing Committee on Broadcasting to act as Parliamentary watchdog, the restriction of the duration of commercial television licences to three instead of five years, and the provision of equal free time for party political broadcasts. In Evatt's view the Government was not prepared to back up rhetoric about the public interest with effective legislation. 'Broadcasting stations', he said, 'should be just according to the law, and nobody wants them to be generous.' He cited the UK example as a contrast. When the British set up the Independent Television Authority, they 'did not mind putting into their statute - [rather than] merely saying in a pious way in Parliament - what has to be done.'

Evatt argued that commercial television was essentially incompatible with the idea of television as a public service:

My view is that it is completely wrong to look at the matter from a purely commercial viewpoint. If that viewpoint is adopted, one departs completely from the principles upon which the public service of television broadcasting should be conducted.⁶³

⁶² *ibid* p. 1536.

⁶³ C.P.D., Repts. 3 May 1956, p.1770. E.G. Whitlam echoed these sentiments; 'It is not sufficient to take, as the Government does, an entirely commercial attitude towards television...It is monstrous that...television stations should have a completely free hand, and should not be compelled to undertake some responsibility in enlightening and guiding the Australian people.' C.P.D., Repts. 9 May 1956, p.1889.

This was the crucial point upon which the perceptions of the Government and the Opposition were divided. The Opposition pursued a concept of television as a public service whose unavoidable commercial elements should be regulated strictly in the interests of political impartiality and social improvement. The Government, while admitting that commercial television station licensees had certain responsibilities (defined in the Board's Standards), believed that fulfilling popular market demands would essentially meet the public interest by a pluralist reflection of public taste and opinion. Minority taste and opinion would be satisfied by the ABC.

The Control Board was in the middle, charged with curbing the commercial instincts of licensees where they were perceived to be debasing public taste in the short-sighted pursuit of profit. Unfortunately its task was not so clear-cut as this. Flagrant offences against decency or propriety were few, but a more subtle erosion of current values and distortions of accepted social standards proved difficult to define or even quantify, and was to prove the subject of much informed criticism and Control Board anxiety.

Chapter 4.

Now, the moment you've been waiting for

When he introduced the Broadcasting and Television Bill to Parliament on 19 April 1956, the Postmaster-General, C. W. Davidson forecast that services were likely to commence in time to provide Olympic Games coverage by November. Each of the four commercial licensees, Davidson told Parliament, was making 'satisfactory progress' with preparations for beginning transmission before the end of the year.¹ While this was true of technical arrangements, the more politically sensitive area of programming was the subject of much anxious Control Board scrutiny and negotiation. The months immediately preceding commencement of transmission saw the emergence of commercial strategies and rivalries which determined stations' programming according to imperatives which differed markedly from the principles laid down by the Board.

During the course of the debates on the Broadcasting and Television Bill which took place in May, the Opposition argued for an amendment which would provide for an Australian programme quota of 55 percent. Labor raised the prospect of the potentially harmful social effects, on Australian family life and national identity, of imported American television programmes. This line was likely to find some public support grounded in the uneasiness with which many Australians regarded the social changes and American cultural influences, besetting them so clamorously throughout the 1950's. In response to this political pressure, the Government, through the Control Board, forced the licensees to provide local live programmes earlier than they would otherwise have done.

Veteran Labor backbencher H. A. Bruce (Leichhardt) gave expression to an undercurrent of public anxiety when he attributed 'the social menace

¹ C.P.D. Repts. 19 April 1956, p.1534.

presented by bodgies and widgies' to foreign films. At the same time he deplored the effect on young people's sense of national identity of American films which introduced foreign heroes to children. 'What Australian child,' he asked, 'had, until recently, ever heard of Davy Crockett?' He singled out for criticism the Yankee hard-sell style of radio personality Bob Dyer who 'has given out the few quid that he has to give out, and is now saying goodnight.'² Bruce's critical themes were enlarged upon by Arthur Calwell who said that he enjoyed Australian artists like Smokey Dawson singing 'Cullenbenbong' and Dusty Rankin singing 'Currabubula', but deplored the fact that all he heard on Radio Australia was 'Frank Sinatra or Johnny Ray'.³

In a *Sydney Morning Herald* article of 1 May 1956, columnist Gavin Souter listed the flood of cultural materials responsible for the 'Americanization' of Australia. He noted that 54 percent of all films shown, 85 percent of all popular music broadcast on radio, and 60 million comic books per year, came to Australia from the United States. He recorded the emerging trends in favour of 'self service groceries', '*Time* and *Readers Digest* magazines', and 'the American style cars produced by G.M. Holdens.'⁴ Other American urban innovations, dependent on increasing car-ownership, which excited contemporary newspaper comment, were the motel, the drive-in theatre and the parking meter.⁵

While Labor politicians deplored the impact of American movies and pop music on traditional Australian cultural forms derived from a rural past,

² C.P.D. Repts. 8 May 1956, p. 1819. Dyer, who came to Australia in 1936 after a career in American vaudeville, was a successful quiz show compere first on radio and later in television with his show *Pick-a-box*.

³ C.P.D., Repts., 8 May 1956, p. 1830; also mentioned in Hazlehurst, 'The Advent of Commercial Television', p. 105.

⁴ *SMH* 1 May 1956.

⁵ *SMH* 2 May 1956 featured an article on drive-in theatres and *SMH* 4 May 1956 contained a four page special feature on motels.

Government spokesmen were enthusiastic about the entertainment bargains available for television from American programme distributors. When ^BW. M. Snedden (Lib. Bruce) said that *Rin-tin-tin* originally costing \$24,000 per episode and *Father Knows Best* costing \$38,000 per episode were to be available to Australian television stations for only £150 per episode,⁶ A. Fairhall wondered 'where one could get a better bargain in entertainment than this?' Fairhall did not deny that many American films and radio programmes were of poor quality and that many such 'pot-boilers' would end up on Australian TV screens. But he rejected the notion that local productions were better simply because they were Australian.⁷

The Opposition was able to quote an extensive list of community organizations who supported its view that commercial television had potentially harmful social effects. The list, supplied by J. F. Cairns (ALP, Yarra), comprised church groups, teachers' and other unions, including the ACTU, women's groups, theatrical and literary groups, and the ABC.⁸ Many had already given evidence at the Royal Commission on Television and had found its recommendations unsatisfactory, but the Government could afford to ignore what could be characterized as minority or special interest groups, at least until television had been tried out on the mass market. C. G. Anderson (CP, Hume) in reply to Cairns, characterised them as 'wowsers'.⁹

While the Opposition's misgivings about the new medium were aired in the Parliament, the Control Board were keeping a close watch on the progress of licensees, and on 8 March asked station managers to supply

⁶ C.P.D. Repts. 8 May 1956, pp. 1844-5.

⁷ C.P.D. Repts. 9 May 1956, p. 1875; Fairhall went further: 'There is some pretty poor stuff of Australian origin coming over the air. Some of it results from the protected nature of the industry.' p. 1877.

⁸ C.P.D. Repts. 9 May 1956, p. 1908

⁹ C.P.D. Repts. 9 May 1956, p. 1910.

details of their buildings, equipment, and programme plans. While all four stations reported satisfactory progress with the purchase and installation of technical plant and equipment, two supplied details of advanced programming arrangements. The confidence with which the plans were submitted for the Control Board's approval indicated that some station managers had failed to appreciate the extent of the political pressure being applied to the Government with regard to Australian programme content. TCN 9 Sydney and HSV 7 Melbourne furnished a list of programmes purchased in the United States and Britain under an agreement which allowed them to pool their import credits and share the transmission of £60,000 p.a. worth of imported film. Colin Sheil, Acting General Manager of TCN Sydney, advised the Board on April 13 that the company would 'occupy the transmitter room on our site at Willoughby about the middle of May' and that 'the studios, buildings and facilities will be complete and ready for occupancy on 2nd October.' Sheil estimated that the company could 'commence and maintain a regular public programme service as from 15th September, 1956', beginning with two hours per day and increasing to 35 hours per week by April 1957.¹⁰ The extensive list of programmes purchased included the American situation comedy series: *Life With Father* (shown on CBS Network from 1953), *December Bride* (on CBS from 1954), *I Love Lucy* (on CBS from 1951), and *Father Knows Best* (networked from 1954). In addition there were assorted older westerns like *Hopalong Cassidy* (on NBC from 1949), and crime series such as *Racket Squad* (on CBS from 1953). All these programmes had rated in the top ten for more than one season in the United States and were safe bets in the Australian market.¹¹ TCN-HSV had also purchased quantities of old feature films and cartoons,

¹⁰ AA MP 1170/4 TL/1/1 pt1, Sheil to O'Kelly, 13 April 1956.

¹¹ Brooks, T., and Marsh, E., *The Complete Directory to Prime Time Network TV Shows 1946- present*, New York, 1979.

individual filmed dramas from both the USA and Britain, a CBS newsreel, and *Disneyland* and *The Mickey Mouse Club* for children. Total programme purchases amounted to £111,265 from dollar sources and £61,793 from sterling sources. ~~A single Australian filmed programme was listed, the cartoon *Felix the Cat*.~~¹² At the same time Sheil retreated from a commitment to either specific Australian programme content or to the employment of Australian artists announcing that the

extent to which Australian artists will be employed by the station will naturally greatly depend on the amount advertisers are prepared to pay to sponsor such programmes. It will also be affected by the rates of pay which will be demanded by actors, musicians, scene shifters, lighting and sound technicians and other technicians in the television industry.

Until costs could be determined by an industry sub-committee, he added, 'this station is unable to made any definite plans for live shows and employment of live Australian artists.'¹³

In his reply to the Board's request for a progress report, Keith Cairns, HSV 7 Melbourne's General Manager also emphasised the difficulties of the early support of local live programmes:

for the first two months we propose productions such as panel features, variety designed to discover and encourage Australian artists, interviews with visiting celebrities from all fields, sporting reviews, analysis and discussions involving leading sporting figures.

More ambitious programming he said, was to be deferred

¹²AAMP 1170/4 TL /1/1 pt1, 'Programme Material Available for TCN', 12 April 1956. On the sale of American telefilms to Australian television stations see Barnouw, *History of Broadcasting*, Vol III : 'The telefilms that distributors- CBS, NBC, MCA, Screen Gems, and others - sold to Australia in 1956 had already earned back their production cost...Prices were therefore set at a most attractive level. "We gave them some series," said John McCarthy of the Television Program Export Association..."for as little as a thousand dollars for a one hour program, for all of Australia. The price scale was unquestionably helpful to Australians; television station managers and advertisers were grateful.' pp.113-4.

¹³ *ibid*, Sheil to O'Kelly, 13 April 1956.

until we have perfected our own production techniques, until tele-recording of programmes makes possible an interchange of material, and until circulations justify the higher costs involved.¹⁴

Although the programme plans of GTV 9 Melbourne and ATN 7 Sydney were not as far advanced as those of their competitors, a GTV 9 executive, John Bailhache, told R. G. Osborne on 14 May that any suggestion 'that in the early stages advertisers could afford costs running up to £1000 per hour for a live programme in order to entertain a few hundred viewers, of course is impracticable.'¹⁵ ATN 7 did not provide programme plans before June 19 when its General Manager C. G. Alexander announced in the *Sydney Morning Herald* that the station had purchased 21 TV series which included the 'highly rated' US documentary series, *Victory at Sea*, and the drama series, *Alfred Hitchcock Presents* (CBS 1955), and *Dragnet* (NBC 1952):

Among the well known artists who will be seen are Ronald Colman in *Halls of Ivy*, Ann Sothern as *Suzie the Private Secretary*, Burns and Allen in their Comedy show and screen stars Herbert Marshall and Ronald Reagan who act as hosts for two separate series of TV plays.

In the same article, ATN's Chairman, Justice Maxwell made a prudent, though non-specific, reference to the fact that 'many local productions featuring the best known Australian artists are under consideration and will be announced shortly'.¹⁶ The reason for ATN's willingness to include Australian programming despite the prevailing industry view that it was not good business in the early stages of development, was that the Control Board and the Minister, who were sensitive to the political pressure in favour of Australian content from the Opposition and community groups, had intervened during May 1956 and insisted that a token number of local live shows be included in programme schedules.

¹⁴ AA MP 1170/4 TL 1/1 pt 1, 19 March 1956, K. Cairns to J. O'Kelly.

¹⁵ AA MP 1170/4 TL 1/1 pt 1, 15 May 1956, K. Bailhache (GTV accountant and office manager), to Osborne.

¹⁶ *SMH*, 19 June 1956.

On the basis of licensee progress reports returned during March and April, the Control Board submitted a recommendation to the Minister on May 8 that HSV 7 Melbourne be allowed to commence transmission on 4 November 1956. TCN 9 Sydney had already requested permission to begin transmitting on September 16, but their programme plans did not immediately satisfy the Board whose report noted:

It is obvious that a cautious approach to the provision of programmes has been adopted by the station and initially they will consist almost entirely of film material. This raised issues of great importance which are also directly related to the Minister's expressed views and to current discussions in the Parliament...The Board does not think that it would be desirable to authorise any station to commence service without at least some Australian content.¹⁷

The Control Board warned licensees that the Minister 'would not be prepared to authorise a station to commence service until satisfactory assurances had been given as to the Australian content in its programmes'. In Canberra on the following day, TCN's Chairman, N. B. Theodore, and Acting General Manager Colin Sheil, laid the economics of the new industry on the line to the Minister. Sheil said the station already had available '20 hours per week of imported film programmes' which had 'been bought fairly cheaply but not at dumping rates', and that 'too much live programme at the outset would kill television'. When Davidson queried the meaning of 'as much as possible' in Theodore's blanket assurance that they were 'prepared to use as much Australian talent as possible,' Sheil replied: 'We have to consider our financial position,' and that he 'couldn't afford to put on live programmes at the start'. This was not good enough and Davidson framed his reply frankly in terms of political expediency:

¹⁷AA MP 1170/4 TL 1/1 pt 1, ABCB Report to PM-G, 'Commencement of Service by Commercial Television Station TCN Sydney; signed R.G. Osborne, n.d. pp.1-2.

If he [Davidson] were in a position to tell the Party and the House that programmes would include from the outset a proportion (even if only a small proportion) of live material, this would probably prevent any quota being imposed.¹⁸

As a result of the straight talking between the Minister and TCN's management, Control Board Chairman, R. G. Osborne reported that the company undertook to begin transmitting on 16 September 1956 from temporary studios, one hour and fifteen minutes of live material per week, increasing to four hours and fifteen minutes after 2 March 1957, when the permanent studios were expected to be completed. The Australian content material was to be exclusive of sport, news, and weather reports.¹⁹ A clue to the content of these live programmes was provided by C. Sheil's remark to Davidson, by way of concession that the station could 'put on a quiz show.'²⁰ Osborne advised the Minister that, in the light of these changes to TCN's schedule, 'it would probably be unreasonable to refuse permission for regular services to be commenced on the 16th September, 1956, as desired'.²¹

Before the official service began, however, TCN 'test' transmissions could be seen from 10.00 am to 5.00 pm, Monday to Friday, from 13 July.²² In Melbourne, HSV 7 asked to begin test transmissions on 16 July, and GTV 9 from 3 October.²³ The Control Board had authorised test transmissions, mainly to help sell receivers, on condition that no advertisements be included, that filmed material or 'adequately rehearsed' live material be

¹⁸ AA MP 1170/4 TL 1/1 pt 1, ABCB Discussion Notes of meeting between Sheil, Theodore and the Minister on 8 May 1956, signed R.G. Osborne, 14 May 1956.

¹⁹ ABCB *ibid.*, 'Commencement of Service-TCN.'

²⁰ ABCB *op cit.*, Discussion notes, 14 May 1956.

²¹ ABCBop *cit.*, 'Commencement of Service-TCN.'

²² C. Sheil to O'Kelly, 18 June 1956, also see ABCB Eighth Annual Report, 1956, Govt. Printer, Tasmania, 3 September 1956, para. 88.

²³ C. Bednall to O'Kelly, 15 March 1956, and K. Cairns to O'Kelly, 19 March 1956.

used, and that transmissions must be made from the permanent site of the station.²⁴ However, these conditions were not all upheld in the face of commercial competition.

The rush to be first on the air in each city brought inevitable complaints from the stations likely to be up-staged. In Melbourne, C. Bednall of GTV 9 wondered whether the Control Board would be prepared to consider 'some slight delay in the commencing date so that the two stations might start off at the same time',²⁵ and in Sydney, ATN 7's C. G. Alexander told the Control Board that he did not think 'any useful purpose would be served by the experimental transmissions proposed by Station TCN.'²⁶ If their main purpose was to demonstrate receivers to the public, argued GTV 9's Bednall, there was little to be gained from allowing test transmissions as early as June or July, because he doubted 'the ability of the receiver manufacturers to supply an adequate number of viewers before December this year.'²⁷ C. G. Alexander based his argument against early test transmissions on the somewhat dubious technical grounds that they 'would encourage the installation of receiving aerials which would be incorrectly oriented for the reception of programs when a regular public service is inaugurated', and even more mysteriously because 'it would at this stage be misleading and would invite exploitation of the public by organizations which are outside the control of either the Board or licensees.'²⁸

On 11 September, D. A. Jose, the Control Board's Director of Programme Services, reported to Osborne that the Board's conditions with respect to test

²⁴ ABCB, Eighth Annual Report, para. 88, and O'Kelly to Bednall 28 September 1956.

²⁵ C. Bednall to O'Kelly, 15 March 1956.

²⁶ AA MP 1170/4 TL 1/1 pt Alexander to O'Kelly, 27 March 1956. On 18 April 1956 ATN informed the Control Board that they would be able to begin test transmissions in October.

²⁷ Bednall to O'Kelly, 15 March 1956.

²⁸ Alexander to O'Kelly, 27 March 1956.

transmissions were being routinely breached 'largely through the desire of station HSV Melbourne to publicise television as widely as possible to stimulate the sale of receivers.' Jose wrote that although TCN Sydney 'took great care not to offend the Board's principles, 'and was 'almost too meticulous in this matter,'²⁹ (probably because his confrontation with the Minister in May led Sheil to exercise more discretion in his dealings with the Board), on the other hand, 'station HSV took a freer view of the Board's conditions,' and had

transmitted a number of documentary films some of which contained what could be regarded as institutional advertising (e.g. a story of Viscount aircraft flights and maintenance, in which T.A.A. and Caltex oil were introduced incidentally; a Pan American Airways travel film in which occasional reference was made to Matson hotels)...and several films [containing] "plugs" for... Shaeffer pencils [and] Carnation milk.³⁰

In imitation of HSV's tactics, GTV 9 applied for permission to use film meant for regular transmissions carrying advertising 'billboards' on behalf of its major shareholders, such as 'The Age, Melbourne's oldest newspaper', and 'Electronic Industries, makers of Astor receivers.' Osborne replied in a marginal note that he had discussed the issue

with the Min[ister] in Canberra today - on the whole he saw no objection: he thought GTV should be warned it was a 'borderline case' and would be strictly policed. ³¹

GTV's Colin Bednall was informed accordingly on 28 September 1956 that there was 'no objection to your proposal to transmit test programmes on the 3rd October.'³²

Although Government regulators like D. A. Jose might be troubled by the 'enthusiasm of an organization [HSV] whose understanding of standards is

²⁹ AA MP 1170/4 TL 1/1 pt1, ABCB Minute, D. A. Jose to Chairman [R. G. Osborne], 11 September 1956.

³⁰ *ibid.*

³¹ *ibid.*, marginal note initialled R.G.O[sborne].

³² O'Kelly to Bednall, 28 September 1956.

governed by a commercialized outlook,³³ the leading priorities of all stations were to encourage receiver sales to maximise audience build-up, and to hold those audiences by providing programmes with guaranteed 'pulling power.' At the same time the two licensees in each capital raced for the privilege of establishing a 'first in the market' station identity, which might gain the winner a competitive edge.

The key to audience build up was the successful distribution of receivers. Although station managers were interested only in audience growth, prominent shareholders in licensee companies were receiver manufacturers who had a stake both in the health of the local industry, and in the success of the television company which created and extended markets for their products. Television receivers were first marketed in Australia during May 1956. It was estimated that 100,000 receivers would be sold in Sydney and Melbourne during the first year of transmission and up to one million during the first decade of television, with at least 18 local manufacturers sharing the market.³⁴ The largest manufacturers were Electronic Industries, Pye (UK Ltd), Philips (Netherlands Ltd), EMI, and AWA.³⁵ Encouraged by the Government's import licensing system and protective tariffs³⁶ on the import of components such as cathode-ray tubes, foreign companies were willing to invest in an Australian receiver

³³ Minute, Jose to Chairman, 11 September 1956.

³⁴ *Sun-Herald*, 20 May 1956, SMH, 22 September 1956.

³⁵ SMH 22 September 1956.

³⁶ An explanation of the rationale of Australian tariff protection policies during the 1950's was given by Tariff Board Chairman, W.A. Westerman in an address to a meeting of the N.S.W. branch of the Economic Society in 1959 printed in 'The Australian Economy in the 1960's,' *Economic Papers* No.13, Economic Society of Australia and New Zealand, Sydney, 1959, p. 19. Westerman referred to the view, which prevailed until about 1957, 'that a young or 'infant' economy, such as Australia's needs tariffs to accelerate long-term trends to develop economic and efficient industries'.

industry. On 7 April 1956, it was reported that a television receiver company financed with capital of £1 million was to be established in Sydney by Associated Electronic Industries (UK Ltd) and E.K. Cole (UK Ltd).³⁷ Television receiver component and assembly plants proliferated during 1956 so that by the end of the year there were 26 manufacturers in the industry. The industry was able to develop with such rapidity in Australia because no preliminary research and development was required. Receiver technology had already developed to an advanced degree in the USA, Britain, the Netherlands and West Germany, and many components were reproduced locally under licence. Imported components - valves and cathode-ray tubes, were often incorporated into Australian made chassis. Television parts, including tubes, imported into Australia, during 1956-7 were valued at £1,457,890. ³⁸

While lobbying for the introduction of television from 1950-54, electrical equipment manufacturers had insisted that a thriving electronics manufacturing industry was essential for defence purposes and for Australia's technological and social progress.³⁹ Government spokesmen in Parliament had also used this as an argument against further delays in establishing television services.⁴⁰ This view was broadly representative of Government economic policy in the early 1950's which favoured the

³⁷ *SMH*, 7 April 1956.

³⁸ Hughes, H., 'The Impact of Television on the Australian Economy: A Preliminary Assessment', Economic Monograph No. 222, Economic Society of Australia and New Zealand, Sydney, November 1959, p. 2.

³⁹ AA MP 1170/4 TD 2/2 pt1 A. G. Warner, (Managing Director of Electronic Industries Ltd) to H. L. Anthony (Postmaster-General), 28 August 1952, Attachment, 'Arguments Re' Television'. Also see ABCB Minute, signed R.G. Osborne, 18 August 1952, detailing the terms of a representation by Warner to Anthony.

⁴⁰ See L. W. Hamilton (C.P. Canning) C.P.D. Repts. 21 September 1954, p. 1443 and A. Fairhall, (Lib. Paterson) C.P.D. Repts. 28 April 1955, p. 255

diversification of secondary manufacturing with import replacement as a long term objective.⁴¹

In the months leading up to commencement of transmission, some licensees worried that local manufacturers would not be able to provide enough receivers at first to ensure large enough audiences to tempt sponsors. GTV's Colin Bednall grumbled to the Control Board that although Electronic Industries 'announced that they will be in limited production in July', Philips would not be entering the market 'before November', and AWA and HMV had not indicated when their products would be available in the stores.⁴² The high level of protection afforded by both import licensing and duty on imported components ensured that retail prices were high. The Treasurer, Sir Arthur Fadden announced in his budget speech on 30 August 1956, that an excise of £7 would be levied on both imported and locally made cathode-ray tubes.⁴³ In addition, components imported from the USA (unlike the UK, where import preferences applied), attracted a further 12.5 percent customs duty. The scale of TV prices in Australia can be comprehended when the 1956 average weekly wage figure of £16.42 is compared to the retail price of sets which was between £200 and £300. The relatively limited sales at first - H. G. Palmer reported, for example, that there had been 'no rush',⁴⁴ were cash sales to higher income earners.⁴⁵ During the last six months of 1956, receiver

⁴¹ Hughes, 'The Impact of Television', p.1. See also, Davidson, F.G., *The Industrialization of Australia*, Melbourne, 1957, 4th Ed. 1969, p. 63.

⁴² AA MP 1170/4, TL 1/1 pt 1, Bednall to O'Kelly, 15 March 1956.

⁴³ C.P.D., Repts. 30 August 1956, p. 86. The duty was expected to raise revenue of £210,000.

⁴⁴ SMH, 20 May 1956, H.G. Palmer was Managing Director of Palmer's retail electrical appliance stores.

⁴⁵ Hughes, H., 'The Impact of Television', p. 2, Hughes noted that when middle and lower income earners entered the market in 1957, 80 percent of sales were made under hire-purchase contracts.

production steadily increased from around 3,000 units during July, to 12,882 during December. By 22 September 1956, one week after TCN 9 Sydney had commenced transmission, retail traders estimated that 3,500 or 4,000 sets had been installed in Sydney homes.⁴⁶

With so many manufacturers in the market, competition was brisk from the beginning. On 20 May it was announced in the press that the 'first blasts of competition for the Australian television market' would occur within the next few weeks. The first receivers, available at Easter sales, were the 'Admiral' brand. Admiral Corporation was an American company which marketed receivers in Australia jointly with the local General Industries Ltd (Metters).⁴⁷ Admiral sets used imported cathode-ray tubes in a locally made cabinet and offered a 24 inch screen, while local manufacturers planned to market 17 inch and 21 inch models only.⁴⁸ Early advertisements attempted to dazzle consumers who were largely ignorant of the technical functioning of receivers. A typical newspaper advertisement published on 17 May for the Admiral 'Miami TV' read:

Giant 21 inch picture tube has Admiral's exclusive 'Magic Mirror' of aluminium to give a brighter, sharper image. Super cascade chassis with 20 valves provides amazing range with automatic suppression of interference.⁴⁹

On May 20 it was reported in the *Sun-Herald* that Admiral 'had so far enjoyed good public response.'⁵⁰ Any satisfaction the company might have gained from this however, was to be short-lived when it was discovered that Admiral sets did not conform precisely to the technical standards laid

⁴⁶ *SMH*, 22 September 1956.

⁴⁷ *SMH*, 20 May 1956.

⁴⁸ *ibid.*

⁴⁹ *SMH*, 17 May 1956.

⁵⁰ *Sun-Herald*, 20 May 1956.

down by the Control Board.⁵¹ The Opposition's C.R. Cameron (ALP, Hindmarsh) had asked Davidson to look into the Admiral matter during the Parliamentary recess.⁵² On 30 August 1956 Davidson admitted that the Control Board had confirmed that Admiral sets used 'an intermediate frequency...which could result in interference'.⁵³ Davidson said that although it was 'undesirable that people should purchase this receiver if they wanted good reception,' there was at present 'nothing in the Act...to prohibit the sale of any receiver.' Furthermore he was not prepared to issue a warning sticker to be placed on the set by retailers as Cameron had requested, because he thought there was 'a limit to what the Government should do in wet-nursing the public.'⁵⁴ However Davidson did undertake to recommend that the Minister for Trade prevent the further import of non-standard components for the receivers.

On 1 September, Admiral Australia's Managing Director, J. B. Clarkson assured the public that 'it would not be difficult to change the receivers to the 30 megacycles frequency recommended by the Australian Broadcasting Control Board...the dispute over frequency was more a political matter than a technological one.'⁵⁵ Despite the initial hesitation of consumers caused by

⁵¹The Control Board's technical standards stipulated that receivers be designed to operate on a frequency of 30.5 mg/s sound and 36 mg/s for vision. ABCB 7th Annual Report, 1955, para. 165.

⁵²C.P.D. Repts., 22 June 1956, p. 3614. C.R. Cameron told the House that the Opposition 'have it on fairly good authority that the use of 21 megacycle system immediate frequency channels in America has been discontinued and that the parts that have been rejected as a result of the change of policy in America have now been sent to Australia to be used by this company.'

⁵³C.P.D. Repts. 30 August 1956, p. 130.

⁵⁴C.P.D. Repts. 30 August 1956, pp. 130-1.

⁵⁵SMH, 1 September 1956 The company's production of 21 megacycle sets was discontinued and Admiral was granted a licence to import £27, 000

a 'wait-and-see' attitude to the new medium, the high price of receivers, and the onset of the 'low' summer retail season in January 1957, sales picked up so that by late May, an estimated 50,000 sets had been installed in Melbourne and 40,000 in Sydney.⁵⁶

The earliest transmissions were watched not only by set owners, their families and many of their neighbours, but by thousands of other people who crowded hotels, public halls, and even pavements outside electrical goods shops on station's opening nights. A programme schedule submitted to the Control Board gives an account of what they saw. On 16 September 1956, Sydney's TCN 9 opened with a formal announcement from host Bruce Gyngell at 7.00 pm and closed at 11.00 pm with a recording of 'God Save the Queen.' In between were a live quiz show, *What's My Line*, news, a 'home show,' and two 15 minute musical variety segments filmed live from St David's Church Hall in Surry Hills. There were also a number of popular filmed programmes, a US variety segment, *The Patti Page Show* (NBC 1956), *I Love Lucy*, *San Francisco Beat* (CBS 1954), and a half hour drama feature, *Douglas Fairbanks Presents*. The first commercials were twenty second filmed spots for Rothman's cigarettes, Berger paints and Vincent's headache powders. The opening line up was typical of commercial television programming for the first two years, when local live shows were largely confined to the quiz and variety formats and imported films and series produced in America provided prime time drama⁵⁷.

worth of US components by the Minister for Trade and Customs, J. McEwen.

⁵⁶ Hughes, 'The Impact of Television', p.2.

⁵⁷ AA MP 1170/4 TL 1/1 pt 1 ABCB 'Revised Programme Schedule Submitted by Station TCN' n.d. Also 'TCN Channel 9 Programming for Sunday, September 16 1956' unpublished typescript, and interview with Richard Lane, Sydney, 4 October 1990. Richard Lane was President of the Australian Screenwriters' Guild during the 1960's. He scripted ATN 7's

Commenting on TCN's first schedules, the Control Board's programme services officer judged the live panel show *What's My Line* to be 'good and harmless entertainment,' while the filmed childrens' programmes, including: *Hopalong Cassidy*, *Rin-Tin-Tin*, *Jet Jackson*, *Jungle Jim*, and *Annie Oakley*, 'have their counterparts in present-day radio, and are intended mainly to entertain.'⁵⁸

TCN's rival ATN 7, held its official opening on Sunday, 2 December 1956. The style of the opening programme, beginning at 7.30pm and ending at 11.00pm, differed from TCN's in much the same way as the style of the 'serious,' broadsheet *Sydney Morning Herald* differed from that of Packer's brasher, tabloid *Daily Telegraph*. The opening ceremony, attended by both the Minister and the Chairman of the Control Board, was designed to impart a suggestion of authority and legitimacy to the station. An opening speech delivered by the Chairman of ATN's Board, retired NSW Supreme Court Justice A.V. Maxwell was intended to reassure viewers that 'ATN is determined to resist any tendency to subordinate the interests of the public to commercial gain.'⁵⁹ While Maxwell affirmed that the 'primary purpose of television is to provide entertainment,' he was also careful to make the point that entertainment 'can be popular without being vulgar.' It was all a matter of taste, he suggested, and viewers could be confident that their tastes would be respected by ATN 7.⁶⁰

pioneering television drama series *Autumn Affair* for two years from October 1958.

⁵⁸ AA MP 1170/4 TL 1/1 pt 1, ABCB 'Revised Programme Schedule, TCN.'

⁵⁹ A. V. Maxwell to R.G. Osborne 28 November 1956. Text of Maxwell's speech at opening ceremony and programme schedule for December 2, attached. Maxwell retired from the ATN Board and was replaced by R.A. G. Henderson (Managing Director of John Fairfax and Sons Ltd) in October 1958. See AA MP1170/5 B3 ATN 4 Sec. ATN to Sec. ABCB, 27 October 1958.

⁶⁰ *ibid.*, text of Maxwell's speech, 2 December 1956.

The report of ATN's opening night which appeared prominently in the parent company's *Sydney Morning Herald* the following day reinforced the station's chosen image:

A crowd of about 50 people [outside an electrical shop window display] has been very impressed with the fact that the station is putting on live material instead of synthetic stuff from overseas.⁶¹

ATN's early schedules were in fact similar to TCN's with a 'home show' beginning the afternoon's line-up followed by the children's show *Captain Fortune*, a live magazine show of which about half the time was occupied by filmed material, followed by imported children's series such as *Cisco Kid*, *Superman*, *Steve Donovan* and *Ramar of the Jungle*. For adults there were news, sport (*Cavalcade of Sport*), and discussion programmes such as news commentator Eric Baume's *State Your Case* and *This I Believe*. After 8.30pm there were adult telefilm series such as *Dragnet* and *Highway Patrol*, and film series such as *Alfred Hitchcock Presents*. There was also a live variety show *Sydney Tonight*, described by station manager J. Oswin as a programme with 'a compere and orchestra afford[ing] the opportunity to telecast guest artists, both local and overseas, serious and popular, provided only that their work is entertaining'.⁶²

Despite ATN's concern to project a responsible and serious image to the Control Board, J. Oswin was aware of the pressures to minimise losses during the first two years of operation by encouraging advertisers. Local programmes were cheaply produced and attracted advertising by being vehicles for product demonstrations and 'give-aways.' As Oswin explained to the Secretary of the Control Board with regard to statements in the

⁶¹ *SMH*, 3 December 1956.

⁶² AA MP 1170/4 TL 1/1pt 1 J. H. Oswin to R. G. Osborne, 12 November 1956. Oswin had succeeded Alexander in November as the station manager of ATN 7.

station's sales brochure which claimed that live quiz and chat shows would be primarily vehicles for advertising:

it is difficult to encourage 'live' programmes in this country because of the economic factor. We have, therefore, in an effort to encourage local production, created certain programmes which are, in fact, similar to sound Broadcasting Stations' breakfast sessions...

I am sure the Board will appreciate that in live programmes simple in character it is sometimes possible to interpolate 'ad lib' commercials which are very inoffensive to the viewer, yet valuable to the sponsor.

Oswin was concerned to reassure the Board that in regard to 'participation' or 'announcement' programmes (i.e. quiz and shopping shows), 'at no time will there be more than one minute of advertising in any five minute period. In fact, it is our express intention to use less advertising than this where possible.'⁶³

The information ATN provided to potential advertisers sought to create precisely the opposite impression from the assurance given to the Board. Scheduling patterns and advertising rate cards sent out to national advertisers clearly indicate the strategies by which station managers sought to make the early programme formats pay. In addition to the six minutes of advertising permitted by the Control Board for every 30 minutes of sponsored programme time, station identification breaks permitted a further 30 seconds in every 30 minutes of programme for spot advertisements, provided that the station logo appeared in the top right hand corner of the screen. 'Station breaks' between programmes, or even between separate segments of a magazine style programme, consisting of a 'billboard' showing the sponsor's name or trademark with 'voice over' identification, were not counted in the Control Board Standards as separate advertisements and so provided further opportunities for advertising. So called 'announcement' programmes allowed one minute of advertising for

⁶³ AA MP 1170/4 TA 2/1 pt 1, J.H. Oswin to Secretary ABCB, 28 September 1956.

every five minutes of programme time, and 'shopping guides' permitted virtually unrestricted advertising throughout, although these were not permitted in prime time and were confined to a total of three hours per week. ⁶⁴

A sample ATN 7 scheduling pattern included on a 1956 information brochure for advertisers shows how a sponsored film programme could become a vehicle for advertising. Beginning at 8.00 pm for example, with the opening 'billboard' showing the sponsor's logo, followed by the film title credits and one minute of commercials, the show proceeds for ten minutes and is followed by a further two minutes of commercials, then the pattern is repeated. Live 'participation' programmes, shown after 9.30 pm on the sample, allow one minute of advertising for every five minutes of programme time in addition to the 'billboards' and station breaks (see sample figure 1).⁶⁵

ATN's advertising rates for prime time program sponsorship during 1956 were quoted as £200 per 60 minute programme, £120 per 30 minute programme and £80 per 15 minute programme.⁶⁶ HSV 7 Melbourne's rate card published in 1956 showed the same sponsorship rates and also the prices for spot advertisements which were £60 per minute on announcement programmes, £40 for 20 second spots during programme breaks, and £20 for 10 second spots on station identification 'billboards'. ⁶⁷

Advertisers were also lured by programme formats designed to have maximum appeal to particular market segments. Programming was deliberately designed to 'solve your marketing problem' and so that 'your commercial can be tailored and timed to reach a highly concentrated

⁶⁴ ABCB Eighth Annual Report, 3 September 1956, Appendix D 'Television Programme Standards', p. 68.

⁶⁵ Figure 1 AA MP 1170/ 4 TA 2/1pt 1, ATN 7 Scheduling Pattern.

⁶⁶ *ibid.*

⁶⁷ AA MP 1170/4 TS 3/3 pt 1, HSV 7 rate card, 20 February 1956.

audience.⁶⁸ Programmes, described to the Control Board in terms of their educational or information values, were described to advertisers in terms of their audience-drawing power. For example, a GTV sales leaflet advised advertisers:

By careful selection of programmes with an eye to the Australian market, GTV-ATN national telecasts provide the right answer to the "go-by-rating" buyer. World-ranking shows featuring world-name stars, and produced by famous US and British producers will hold Australian audiences from programme to programme.⁶⁹

Almost all of the programmes with high audience 'holding' power possessed high entertainment values and little or no educational or information value. Given the commercial priorities of stations, their need to cut losses during the establishment period, and the availability of high quality American telefilms at bargain rates, it is not surprising that they found little incentive in the beginning to create programmes which catered both for both mass and quality markets. Instead they scripted low budget programmes that employed successful radio formats, such as radio personality, Bob Dyer's *pick-a-box* quiz programme, or developed chat and variety programmes which depended for their success on the personality or quick wits of the compere, for example Graham Kennedy, a former 3UZ talk show personality, developed his largely unscripted 'tonight show' into an original, ratings-winning formula which owed nothing to lavish production values.⁷⁰

By March 1957 the Control Board's Director of Programme Services D. A. Jose, was able to provide a preliminary survey of station's advertising

⁶⁸ AA MP 1170/4 TL 1/1 pt 1, GTV-ATN programme format.

⁶⁹ *ibid.* Emphasis as given.

⁷⁰ Graham Kennedy compered GTV 9's late night variety show *In Melbourne Tonight* in which advertising plugs were mixed with comedy sketches often involving a send up of the product advertised. Bob Dyer's *pick-a-box* on ATN 7 was a successful radio show of the same name on the Macquarie national radio network.

practices since commencement of transmission. He found that quiz programmes most often exceeded the permissible advertising limits where 'the excesses have arisen from the mention of give-away prizes and the advertising matter associated with them.' The worst offenders were *Give it a Go*, the *Pressure-Pak Show* and *Pick-a-Box*. Complaints were also received about advertising on Caltex Theatre, shown on ATN and GTV on Sunday nights at 8.00 pm, because 'the commercials have been spliced into the films crudely and at points which are not natural breaks,' although the total time was not found to be excessive. These breaches of the Board's advertising standards were judged to be fairly minor and 'it was thought preferable to deal with these excesses verbally in the first instance'.⁷¹ Another problem was presented by TCN 9's *Mickey Mouse Club* children's program which, Jose wrote;

employs a juvenile chorus (individually or collectively) as compere, and then presents four programmes: a cartoon, a live entertainment unit, a filmed instructional unit, and another cartoon.

Jose recommended to Osborne that the Control Board accept the station's practice of selling two minutes of advertising for every fifteen minute segment, instead of the six minutes per 60 minutes for a normal sponsored hour show 'as the station states that single sponsorship of the whole 4 unit programme is too costly for any advertiser to consider.' Osborne agreed but said that the Board would reconsider the position if such fragmentation became the 'usual practice' in 'magazine' and children's programmes.⁷²

While the Control Board attempted in this way to accommodate stations beginning transmission, it would be harder to ignore breaches of the standards as stations became established and began to make substantial

⁷¹ AA MP 1170/4 TA 2/1 pt1 ABCB Minute, 'Excessive Advertising-Television Programmes' 12 March 1957, signed D. A. Jose.

⁷² ABCB Minute 'Advertising Time Standards-Mickey Mouse Club,' D.A. Jose to Chairman, 30 August 1956 with signed marginal comment by R.G. Osborne

profits. As time went on it became clear that the programming objectives of stations and the Control Board coincided only incidentally, and this was the source of inevitable friction wherever the values of the marketplace clashed too stridently with those of traditional cultural norms. The guardians of those traditional norms, whether they were serious actors, artists, teachers, writers, clergymen, or the Control Board, were sensitive to every inroad of market values. But the mass audience was in general only aware of the medium's compelling attraction, and lacked opportunities for expressing an immediate response to the accumulation of minor infringements of the Standards which marked the gradual extension of what was 'permissible'.

Chapter 5.

Welcome to our interstate and country viewers

At the end of their first year of operation, the four commercial television stations in Sydney and Melbourne had attracted enough advertising sales and sufficient audience growth to ensure the viability if not yet the profitability of the industry. In his presidential address to the annual conference of the Australian Association of Advertising Agencies on 14 October 1957, J. Clemenger estimated that 11 percent of homes in Sydney and 14 percent in Melbourne already had television sets. 'Television', he said, 'was still very much in the build-up stage':

but even now it is evident that Australians are gulping TV down hungrily... The federal Government need not fear the country's capacity to afford an extension of TV services. Commercial TV was prepared to take the risk and the government should not hold back this service by withholding licences.¹

Clemenger represented advertising agencies which were interested in increasing competition between licensees. His call for the issue of more licences also reflected the desire of his clients, particularly national advertisers, for access to interstate markets not yet served by television. Since 1956 receiver sales had been buoyant with an early seasonal drop in sales during January and February followed by a surge in the autumn of 1957. By 30 June 1957, according to figures published by the Broadcasting Control Board, there were 73,908 viewing licences held in Victoria and NSW, licences were being issued at the rate of over 16,000 per month.² The number of sets licensed lagged somewhat behind the number actually in use, and six months later in a speech to the company's annual general meeting on 4 December 1957, the Managing Director of AWA, Sir Lionel

¹SMH, 15 October 1957.

² ABCB Ninth Annual Report, 1957, Govt. Printer Tasmania, 16 September 1957, p.52.

Hooke, estimated that there were about 200,000 sets in operation in Australia.³

The Control Board was another interested party keeping a close watch on the development of the industry. In April 1957 it requested an assessment of the state of the receiver market from the Department of Trade and was told that sales were not matching the growth in productive capacity of local manufacturers, and that licensing more stations

would have an expansive effect on the electronics industry generally and provide a useful stimulus to the 25 local firms who have entered the television industry here over the past two years.⁴

In keeping with an impulse to provide encouragement to the television industry during the establishment period, the Control Board, assessing licensees' programming efforts during the first year, expressed its findings generously in terms of quantity rather than quality:

stations...have, in the short period during which they have been in operation, made good progress towards the development of programme services of a comprehensive character. There has been a steady increase in their hours of service to provide for new features and the presentation of the programmes has improved as experience has been gained.

Apart from registering a mild rebuke to the effect that stations appeared to have limited themselves to the provision of programmes 'of some general entertainment value' which hardly represented 'the highest achievement of which the medium is capable,'⁵ the Board had no hesitation in recommending to the Minister that stations be licensed in the smaller

³ SMH, 17 December 1957.

⁴ AA MP 1170/4 TD 2/2 pt1, 'Notes for the Australian Broadcasting Control Board' compiled at the Board's request by H. Thompson of the Department of Trade, 26 April 1957. The notes showed that by April, demand for receivers was running considerably behind expectations. Manufacturers had prepared for production runs totalling 350,000 receivers while demand was forecast at 130,000 to 160,000.

⁵ ABCB, Ninth Annual Report, p. 40.

capitals. Accordingly, on 4 September 1957 Davidson announced in Parliament that the Control Board would hold licence hearings in each city so that transmission could commence during the 1959-60 financial year.⁶ On November 6, in reply to a 'Dorothy-Dix' question from B.M. Wight (Lib. Lilley), he laid down the rules of the game for the next round of hearings. While it was the Government's policy, he said, 'to encourage the local ownership, control and operation of broadcasting and television stations,' the Board would give due consideration to the financial capacity of stations to provide 'high technical and programme standards'. All things being equal, he assured the House, priority would be given 'to local shareholdings and local applicants'.⁷ Davidson sought to stifle Opposition criticism, endemic since the Sydney/Melbourne licence decisions, that the Government was fostering media monopolies. Apart from this statement, the Board had no specific guidelines for its deliberations and the vital question of the number of licences to be granted in Brisbane and Adelaide was left open.⁸

Davidson's reserved the Government's right to make a final decision on the Board's recommendations, although there was no indication of any fundamental policy differences between the Board and the Government on the matter.⁹ In a letter to Osborne on 1 October, however, Davidson made it

⁶ C.P.D. Repts., 4 September 1957 pp. 276-7.

⁷ C.P.D. Repts., 6 November 1957 p. 1859.

⁸ In a public statement on 17 October 1957, Davidson said: 'The Government has made no decision as to the number of licences to be granted in each of the centres concerned, and will not do so until the Board has made its recommendations, following the public enquiries.' *ABC, Report and Recommendations to the Postmaster-General on Applications for Commercial television Licences for the Brisbane and Adelaide areas*, Canberra, Government Printer, May 1959, para.108.

⁹ C.P.D. Repts., 4 September 1957, Davidson said: 'The final determination of the grant of licences will be made by the Government.' p. 277.

clear that he had deliberately refrained from announcing the number of licences to be granted in Brisbane and Adelaide because

the question of whether one or two licences should be granted in each area was left for a final determination by Cabinet following the report from the Board on the applications submitted. It is possible...that the Board would consider two applications from one of the cities concerned to be worthy of recommendation.¹⁰

The Minister's public assurances about encouraging independent stations in the smaller capitals misled both the Control Board and the candidates for licences. The existing licensees saw an opportunity to extend the informal programme sharing arrangements already existing between HSV/TCN and ATN/GTV. The acquisition of a licence in Brisbane or Adelaide was regarded as an 'outlet' for the sale of programmes, spreading their cost further. At the same time it represented an extension of the potential viewing audience, and hence of the advertising market.

The Control Board, on the other hand, were determined to prefer genuinely local interests, claiming that it was

universally agreed that, having regard to the nature and function of television stations...they should be, to the extent to which it is practicable, owned by the people in the areas which they are designed to serve.¹¹

The existing licensee applicants were therefore set on a collision course with the Board, even before the hearings began on 31 March 1958. The Control Board understood that the process of awarding television licences in the smaller capitals would determine the extent to which independent local ownership would be a viable option. The Board intended that ownership of television stations would be spread among a further four independent companies with capital bases firmly located in the home state. This case rested on the assumption that each city could support only one commercial station. While the profitability of a single station would be assured, a locally

¹⁰ AA MP 1170/4, TL/1/3, Davidson to Osborne, 1 October 1957.

¹¹ *op. cit.*, ABCB, Report, Brisbane and Adelaide licences, para. 115.

owned station would lose heavily if forced to compete for a share of a limited market. In his Report to Davidson setting out the Board's recommendations after the Brisbane and Adelaide hearings, Osborne quoted the Board's opinion after the 1955 hearings that it 'would be in the public interest for the ownership of commercial television stations to be more widely spread than is contemplated by all the applicants,' and added that 'this is still our opinion and implies, as far as possible, "local ownership".¹²

The applicants for the Brisbane licence were:

1. Queensland Television Ltd, whose major shareholders were ATN, GTV, and Ezra Norton's Truth and Sportsman Ltd.
2. Brisbane TV Ltd, sponsored by Queensland Newspapers Ltd, in which the controlling shareholding was owned by the Herald and Weekly Times Ltd of Melbourne, and by the Brisbane *Telegraph* Newspaper Ltd.
3. Australian Consolidated Press on behalf of a Company to be formed.

The applicants for the Adelaide licence were:

1. Australian Consolidated Press on behalf of a Company to be formed.
2. Southern Television Corporation Ltd, controlled by K. R. Murdoch's News Ltd.¹³

¹² AA MP1170/4, TL/1/3, Confidential ABCB Report, 'Television Licences - Brisbane and Adelaide', signed Osborne, June 11 1958, pp. 2-3. Osborne warned, 'We must take a firm stand on these applications if the future control of television is not to be in the hands of a small group which already has very substantial interests in the mass communication media in this country.' *ibid.*, p.2.

¹³ Rupert Murdoch, the son and heir of Sir Keith Murdoch, former Managing Director of the Herald and Weekly Times, and principal shareholder of News Ltd, Adelaide, had sold his shares in the Melbourne *Herald* in 1953, in order to consolidate his interest in the Adelaide *News*.

3. Television Broadcasters Ltd, with the majority of shares being held by Advertiser Newspapers Ltd, controlled by the Herald and Weekly Times Ltd of Melbourne.

The three applicants in each area represented the interests of the Sydney and Melbourne licensees. With the exception of K. R. Murdoch's Adelaide based News Ltd, no bids were supported by independent local companies. The leading Brisbane and Adelaide newspapers, which were principal shareholders, were in fact controlled from inter-state. The pattern of the applications in each city had been determined by agreements negotiated between the existing licensees during April and May 1957. The substance of these negotiations was the subject of intense cross examination at the hearings and the documents outlining them were tabled as exhibits and later published by the Control Board.¹⁴

The major question confronting the applicants was whether there would be one or two licences in Brisbane and Adelaide. Only if two licences were granted would there be sufficient 'programme outlets' to accommodate all existing interests. But what if only one were granted? At a meeting at the *Sydney Morning Herald* office in Hunter Street, Sydney on 23 April 1957, 'to carve up the empire,'¹⁵ attended by the managing directors and leading shareholders of existing licensee companies (including Rupert Henderson, Frank Packer, Sir Arthur Warner, Clive Ogilvy and J. F. Williams), it was agreed provisionally to combine interests to ensure an equitable programme sharing arrangement if there should be only *one* licence.¹⁶

¹⁴ ABCB, Report, Brisbane and Adelaide licences, paras. 94-98 and Appendices D and E.

¹⁵ AA MP 1170/4 TL/1/3, Osborne attributed this quote to the chairman of the April 1957 meeting (Henderson?), in his confidential report to Davidson, 11 June 1958, p. 2.

¹⁶ *ibid*, Appendix E, 'Memorandum of Meeting, 23 April 1957' compiled by Sir Arthur Warner and J.F. Williams.

As the sequence of published correspondence shows, no arrangement covering all possible contingencies was ultimately agreed to, and the existing licensees eventually lined up behind five of the six applications submitted to the Control Board. Although invited to participate, News Ltd's Rupert Murdoch remained aloof from the negotiations.¹⁷ By July 1957 it was clear to Macquarie Broadcasting Ltd's Clive Ogilvy, one of the parties to the original informal agreement, that attempts to co-operate had failed. He wrote to John Fairfax & Sons' Managing Director, Angus McLachlan, that as there still had been

no word from Warner or Williams. Unless some concrete sign of "allness" or "oneness," must conclude that the "all for one, one for all" approach to Brisbane has failed.¹⁸

By 16 September 1957, Rupert Henderson wrote to Ogilvy:

in view of the failure to date to bring the rival interests together in one group, I agree that we should be prepared to make application as a separate identity and proceed upon that assumption.¹⁹

For the Brisbane area licence, applicants split into three rival groups. An ATN/GTV sponsored applicant (Queensland Television Ltd) with Truth and Sportsman Ltd as a third major shareholder, a Herald and Weekly Times sponsored applicant (Brisbane TV Ltd), and Frank Packer's Consolidated Press.

¹⁷ In his biography of Rupert Murdoch, *A Paper Prince*, (2nd Edition, with Glenda Korporaal, Melbourne, 1987), George Munster wrote that although Murdoch had received offers from the *Adelaide Advertiser*, and from Fairfax's Rupert Henderson, to participate in joint applications: 'Murdoch explained that he needed no money. His ears were wide open, but he made no commitment. He wanted as much of the action as he could get for himself.' p.45.

¹⁸ ABCB Report, Brisbane and Adelaide Licences, Appendix E, Ogilvy to McLachlan, 10 July 1957.

¹⁹ Report, Appendix E, Henderson to Ogilvy, 16 September 1957.

Although Packer's TCN 9 Sydney already had a programme sharing agreement with the Herald and Weekly Times Ltd station, HSV 7 in Melbourne, the two companies had been unable to agree on a joint approach to the Brisbane licence application. This was because their Chairmen disagreed about whether the Government intended to award one licence or two. From evidence given during the hearing it was clear that alone of all the managing directors at the original strategy meeting in April 1957, Frank Packer believed that the Brisbane market would successfully support two licences after an initial period of loss. Packer wanted to have a simple agreement between the programme sharing partners TCN/HSV to mount a joint application in Brisbane. In his view it was 'inadvisable that we should assist third parties with programmes or network arrangements.'²⁰ He wanted to keep existing 'network' arrangements a closed shop without involving local interest groups. However the Herald and Weekly Times Ltd's J. F. Williams did not share his optimism about a second Brisbane licence and believed a Brisbane 'outlet' could best be secured by sponsoring a nominally 'independent' and 'local' applicant, (Brisbane TV Ltd), through his company's 37 percent controlling interest in Queensland Press Ltd, of which Queensland Newspapers Pty Ltd (publishers of the *Courier-Mail*), was a subsidiary company.²¹

The same three-cornered contest existed in Adelaide, this time between Packer, who openly argued for the granting of two licences where only one was likely to be profitable, because it would facilitate network arrangements. He readily admitted that 'the application for the Adelaide licence was made to protect the investment of Consolidated Press Holdings in Television Corporation Ltd.'²² In contrast to Packer's approach, the Herald and Weekly

²⁰ Report, Appendix E, Memorandum of Meeting, 23 April 1957.

²¹ Report, *ibid.* and para. 121.

²² *SMH*, 8 May 1958.

Times Ltd preferred to mask its involvement by sponsoring a 'local' candidate (Television Broadcasters Ltd), through Advertiser Newspapers Ltd in which it had a controlling interest, a fact that the independent third applicant, Rupert Murdoch pointed out to the Board in evidence.²³

Murdoch's company Southern Television Corporation was the sole independent applicant. Appearing on his own behalf before the Control Board, Murdoch said that his company would be able to raise the entire capital required to establish the station, estimated at £590,705. However he said that there should be only one station in Adelaide and that competition 'would lead to extremely high losses.' Asked by Packer's counsel, A. Larkins QC, whether he was afraid of competition, Murdoch replied deftly that he was 'afraid of my standards being crippled.'²⁴ His counsel assured ^{the} Board that Murdoch was not entering the television business 'as a gamble and he hoped and believed that the profits [would] come.'²⁵

The Control Board were confronted with the fact that, in the words of Fairfax's Angus McLachlan, 'the whole purpose' of the interest of existing licencees in sponsoring applications in Brisbane and Adelaide was 'that we believe the development of television must be along the lines of programs being shown in the various states.'²⁶ This was, the Board decided, inconsistent

with the expressed policy of the Government in relation to the gradual development of the television services and the local ownership and control of stations.²⁷

²³ *SMH*, 9 May 1958. Murdoch told the hearing that 'the Advertiser which is behind Television Broadcasters application is controlled by the Herald and Weekly Times Ltd Melbourne.'

²⁴ *SMH*, 9 May 1958.

²⁵ *SMH*, 28 May 1958.

²⁶ *SMH*, 3 May 1958.

²⁷ *op.cit.*, Report, para. 135.

The Board was wary of 'proposals for network operation [which were] likely to interfere significantly with the independence of the stations to be included in a network' because they were 'contrary to...the spirit of Section 91 of the [Broadcasting and Television] Act.' In its opinion, the only acceptable form of 'network' was a loosely organized programme buying association which did not involve financial control of a number of licensees by a single company. ²⁸

In the end the Control Board recommended that since both the Brisbane and Adelaide markets could each support only one independent local station, the Minister should 'invite fresh applications for the Brisbane and Adelaide areas, specifying in his invitation the number of licences which he will grant.'²⁹

The licence hearings for the Perth and Hobart stations were more straightforward because it was clearly understood by all parties that only one licence would be granted in these cities. There were two applicants for the Perth and two for the Hobart licence.

In Perth the applicants were:

1. TVW Ltd sponsored by West Australian Newspapers Ltd (publisher of the *West Australian*, Perth)
2. Western Television Services Ltd, sponsored by the Western Press Ltd which was effectively controlled by News Ltd of Adelaide.

Applicants for the Hobart licence were:

1. Hobart Television Ltd (Metropolitan Broadcasters, licensees of 7HT Hobart), B.A. McCann, Consolidated Press Holdings Ltd (F. Packer), and AWA
2. Tasmanian Television Ltd sponsored by Davies Bros. Ltd (publisher of the *Hobart Mercury*).

²⁸ *ibid* para.102.

²⁹ *ibid* para 136.

The Control Board recommended that licences be granted to the most independent, local sources of capital in both states: to TVW Ltd in Perth, a company controlled by the *West Australian* newspaper but whose public shareholders included some 427 West Australian residents, and to Tasmanian Television Ltd sponsored by the independent Hobart *Mercury* newspaper.³⁰

The Board's Reports on the hearings were considered by Cabinet on 10 September 1958, and although the recommendations regarding Perth and Hobart were approved, those for Brisbane and Adelaide were not. Davidson told Parliament the following day that the Government had decided that two licences should be granted in each city and asked the Board to choose between the existing applicants.³¹ In answer to the inevitable Opposition protests that the Government had caved in to pressure from vested media interests,³² the Minister for Labour and National Service, Harold Holt (Lib., Fawcner) admitted that the decision had been difficult, but given the nature of the industry, inevitable:

³⁰ ABCB, *Report and Recommendations to the Postmaster-General on Applications for commercial television licences for the Perth and Hobart areas*, Canberra, Govt. Printer, May 1959.

³¹ J.R. Darling, a member of the Control Board, sent a letter to Menzies protesting this decision and threatening to resign. However this 'did not greatly disturb' Menzies who talked him out of it. See *Richly Rewarding*, p. 218. Darling said later that the decision to reject the Control Board's recommendation was not taken by the full cabinet and that of those present, Davidson was in favour of following the Board's recommendations. According to Darling, Davidson's main opponent had been McMahan, and that after much argument Menzies had said, "Oh well, better let them have it." Interview with Sir James Darling, 17 July 1990.

³² For example speech by A.A. Calwell: 'Organized big business could teach the Mafia a lot of tricks about exerting pressure' C.P.D. Repts. 11 September 1958, p.1193.

we were not happy when we first had to deal with this problem to find that wealthy interests...were in a position to control a particular station...however let us be realists in this matter...television...obviously fits quite neatly to the scale and manner of the commercial operation of newspaper organizations [and] radio organizations.³³

Holt justified the decision to grant two licences in markets which could only marginally support them on the grounds that the existing applicants were prepared to risk their capital in such markets, and that a greater choice of programmes would be available to consumers - a popular move in an election year. Holt was sure 'the people of Brisbane and Adelaide will applaud the decision that they shall have two.'³⁴

The Control Board published a supplementary report on 26 September 1958 in which it declared that it had been obliged to abandon the 'localism' principle upon which its 'previous recommendations had been based.' On 13 October 1958, the licences in Brisbane and Adelaide were awarded to:

1. Brisbane TV Pty Ltd (ATN/GTV)
2. Queensland Television Ltd (Herald and Weekly Times Ltd)
3. Southern Television Corporation Ltd (News Ltd)
4. Television Broadcasters Ltd. (Advertiser/Herald and Weekly Times Ltd)

This outcome meant that only Frank Packer's Television Corporation did not have a secure outlet for its programmes in either city.³⁵ It seemed that the strategy of supporting his application for a licence openly on the grounds that 'network' arrangements were the only economically viable way of supporting commercial television in Australia had failed to pay off.

³³ C.P.D. Repts. 11 September 1958, p. 1196.

³⁴ *ibid.*

³⁵ A Control Board member, R.A. Yeo, noted in a supplementary recommendation to the Report on the Brisbane and Adelaide licences that the 'spirit' rather than the 'letter' of Section 91 of the Broadcasting and Television Act would have been better observed if Consolidated Press had been permitted to sponsor one applicant in either Brisbane or Adelaide, rather than allowing the Herald and Weekly Times to have interests in licensee companies in both cities. Addendum p. 8.

On the other hand, the Herald and Weekly Times' approach of sponsoring the application of a local candidate in which it held a controlling interest was successful. Packer was to amply compensate for his failure to obtain a share in an interstate licence by his 1960 takeover of Melbourne's GTV9. Rupert Murdoch was forced into competition with a Herald and Weekly Times backed rival in Adelaide, although this did not deter him from taking up the licence.³⁶

Licences for the six commercial television stations in the smaller states were granted for five years from 1 December 1958. Stations began transmitting from August to November 1959, except the Hobart station which opened in May 1960. By mid 1960 there were sixteen television stations in Australia, ten commercial and six national, all located in the State capitals. Almost one million viewer's licences had been issued at 30 June 1960, and the original Sydney and Melbourne stations showed 1958-9 financial year profits amounting to an aggregate of £959,693 compared with an aggregate loss during the 1957-8 financial year of £56,897. ³⁷ Commercial television was here to stay.

With the Government safely returned at the 1958 federal election, an issue high on the Postmaster-General's agenda was how to expand the reach of television transmission from approximately 60 percent, to an estimated possible 95 percent of Australia's population. The 35 percent of the population not covered by existing services was dispersed over some 35

³⁶ George Munster wrote that for all Murdoch's doubts at the hearing about the profitability of two stations in Adelaide 'Southern Television Corporation had rapidly moved into a profit position...It showed profit levels of above 40 percent on paid capital in the second and third years.' *Paper Prince*, p. 66.

³⁷ ABCB 12th Annual Report 1960, Canberra, Govt. Printer, September 1960, para.71.

provincial cities and country towns in every state, only a handful of which represented significant markets of between 50,000 to 100,000 people.

When the question of specific planning for the extension of transmission to provincial towns and country districts known as 'Stage Three,' had been raised with the Minister in March 1958, Davidson told R. G. Osborne that there was no hurry because 'my colleagues would be chary about doing anything about it at the present time.'³⁸ However the rapid expansion of audiences in existing transmission areas indicated that television in country districts would be a potential vote winner. Menzies announced in his policy speech on 29 October 1958 that his Government would:

continue the development of television, directing our particular attention to the extension of television to country areas. In this field, we will of course recognise the place of private enterprise, which it is our aim to encourage.³⁹

After the election, Davidson called for a report from the Control Board on the state of planning for the extension of television services to country areas to be submitted in the new year. The Board convened a meeting with representatives from the Postmaster-General's department and the ABC on 12 December 1958, to discuss technical issues such as the availability of sufficient channel space on the VHF band, and the possibility of national and commercial stations in some sparsely settled country areas sharing transmission facilities.

On 7 January 1959, the Control Board submitted to the Minister a nineteen page report setting out the main issues arising out of the second round of licence allocations. In the Board's view the Government's original policy, which was to establish a dual system on a gradual basis in the VHF band, had become distorted by attempts of the original Sydney and Melbourne

³⁸ AA MP1170/4 TD2/2 pt 1, ABCB Minutes of Meeting on 31 March 1958.

The Minister's remarks were repeated to the Board by R. G. Osborne.

³⁹ AA MP 1170/4 TD 2/2 pt 1, ABCB Minute 'Points concerning Extension of Television Services to Country Areas,' 28 November 1958.

licensees to establish 'networks,' as well as by the grant of two commercial licences in Brisbane and Adelaide, a move which put the demands of the market before the orderly extension of services.

The Board wanted the Minister to say clearly how far he was prepared to back independent local ownership in the future, and how many commercial licences would be granted in specific areas, so that planning to set aside sufficient channels could begin. The report pointed out that the

success of television... has far exceeded any expectation, official or otherwise [and it would be] impossible politically to justify delay in the expansion of the further development of the service...on any such grounds as that of the "gradual development"- reason given in the past.⁴⁰

According to the Board's report, political and market pressures were putting strains on the Government's policy of 'gradual' or orderly development of services according to a pre-determined plan. The original plan based on guidelines laid down at the 1953 Royal Commission, and reflected in the Frequency Assignment Plan published as an Appendix to the 1955 ABCB Annual Report, called for the licensing of *one* commercial channel in each country area, before a further choice of service was made available in the more attractive capital city markets.

If planned development was replaced by a scramble for channels in the most profitable areas, it would result in all ten currently available VHF channels being used before an adequate service was provided in many country areas. The problem boiled down to whether the Government was going to allow country stations to be established on relay as part of a network based on the existing capital city licensees (in which case larger country centres could support two commercial licences), or whether it would insist that country stations be independent, local companies (with only one licence in each area). Areas of special difficulty were cities like

⁴⁰ ABCB, 'Extension of Television Services, Report for the Postmaster-General', 7 January 1959.

Newcastle and Wollongong with large populations which would support two commercial licences and where proximity to Sydney meant a possible transmission overlap. New channels would have to be provided if more than one commercial station was licensed in these cities.

The Control Board 'without wishing to embarrass the Minister,' took the opportunity to make known its views which were:

to see the principles of independent local ownership of television stations, and their freedom from completely centralised dominance from the capital cities by powerful metropolitan and newspaper groups or other interests, maintained so far as practicable.⁴¹

Unless the Government was prepared to say that, as a matter of policy, not more than two television stations (including a national station) would be authorised in any area outside the state capitals, more VHF channels would need to be released from existing users, UHF channels would have to be used, or some country areas would have to operate on shared transmitters. Special provisions for Newcastle and possibly Wollongong, would also have to be considered.⁴²

R. G. Osborne discussed the Board's report with the Minister two days later, and recorded Davidson's response in a note which was tabled at the next Board meeting. Davidson was clearly reluctant to face up to the implications of the Brisbane/Adelaide licence decision, as Osborne reported:

the Minister's first reaction to our report was one of surprise that we had read so much into the decision on the question of licences for Brisbane and Adelaide...In his opinion, Cabinet's decision on this subject should not be taken to go further than that there should be two licences in those cities. He did not believe that Cabinet had discarded the idea of the gradual approach to the extension of television services or the principle of independent local ownership of stations.

However, after 'some detailed discussion,' Davidson agreed to ask Cabinet whether it would be prepared to back the 'principle of local control,' and

⁴¹ ABCB, Minute 'Extension of TV Services', 7 January 1959, p. 14.

⁴² *ibid* p. 16.

whether it intended to approve more than one commercial television licence in some country areas. Davidson told Osborne that although he continued to favour the original proposal based on the 1955 Frequency Assignment Plan of one commercial station 'preferably independent' in each area, he 'could not successfully resist the [likely Cabinet] view...that in some areas, notably Newcastle, and possibly others, there should be a second commercial station.'⁴³ Davidson agreed to present the Control Board's Report to Cabinet as a basis for determining policy directions for regional television.

The ABC Chairman, Sir Richard Boyer, wrote independently to Davidson on 19 January informing him of the Commission's view of the shared transmission alternative. He stressed the difference between radio, where independent rural stations flourished, and television, where

it seems certain that all provincial television stations will require to utilise film and recorded material routed through metropolitan stations, as one cannot envisage much in the way of locally initiated visual sessions. For this reason, it seems evident that the influence of the original metropolitan television stations...would gradually extend to provincial stations to a degree which was unknown in sound radio.⁴⁴

Boyer argued that the ABC should retain control of transmitters in rural areas, renting out time to local commercial television licensees on the British ITA model. Programme outlets for existing licensees would be guaranteed, local viewers would 'get the pick of both national and commercial metropolitan programmes and so...enjoy, in effect, a dual system.' Most importantly:

from the point of view of your own department, I would suggest that the idea has the great advantage of keeping the communication facilities in the P.M.G.'s hands.⁴⁵

⁴³ ABCB Agendum 2 February 1959, signed R.G. Osborne.

⁴⁴ AA MP 1170/4 TD 2/2 pt 1, Boyer to Davidson, 19 January 1959.

⁴⁵ *ibid* p. 3.

In addition to advocating government control over transmitters by the back door, Boyer wanted to minimise any time lag between the grant of commercial licences and extension of the national network in rural areas. The original stage three plan was for 13 national stations to open in country areas between 1961 and 1965. The Postmaster-General's Department reviewed this timetable at Boyer's request, and on 11 February 1959, M.R. Stradwick, Director-General of Posts and Telegraphs, supplied R. G. Osborne with a revised timetable and cost schedule for stage three national television stations in 13 provincial cities and country towns to open between April 1961 and July 1962. The towns were: Newcastle, Bendigo, Canberra, Ballarat, Toowoomba, Launceston, Wollongong, Morwell, Orange, Shepparton, Rockhampton, Lismore, and Townsville. Establishment costs (including buildings, transmitters and relay links), spread over three financial years from 1960 to 1963 were estimated to be £4,342,000. Operating costs would amount to a further £407,000 per annum.⁴⁶

Davidson agreed to incorporate the substance of the Control Board's 7 January Report, and the ABC's revised schedule for national stations in his submission to Cabinet on 10 April 1959. R. G. Osborne commented to the Board that the whole question of the extension of services 'seemed to be a major political matter and there were reports of Cabinet dissension on the subject.'⁴⁷ Cabinet decided that the number of commercial stations in country areas should not be limited to one and that the economics of permitting relay stations programmes to compete with a local station should be investigated. It also acknowledged that the existing form of the Broadcasting and Television Act had not been effective in preventing the 'accumulation into a few hands of the control of the bulk of commercial television services' because Sections 91 and 92 were drawn up in terms of

⁴⁶ AA MP 1170/4 TD 2/2 pt 1, Stradwick to Osborne, 11 February 1959.

⁴⁷ ABCB Minutes of Meeting, 16 March 1959.

majority shareholdings rather than actual control. Ways of amending the Act were being considered 'so that public participation can be strengthened'.⁴⁸

Although the Prime Minister had suggested to the Cabinet that prospective applicants be sounded out about commercial options in country markets, it was decided that the only politically acceptable way to determine how many country stations should be licensed was by holding public hearings. As Osborne put it, in a discussion paper dealing with the issues raised in Cabinet:

Experience has shown that until formal hearings are held, everyone's attitude is tentative and flexible and applications develop as the inquiries proceed.⁴⁹

The process of formal hearings could expect to resolve such questions as the number of licences to be granted in each area, and whether to award them to metropolitan or local interests. The precise legal status of 'relay' or 're-transmitting' stations under the Broadcasting and Television Act needed to be determined by the Attorney General. Did such stations require a separate licence, for example?⁵⁰ It was also important to resolve the question of frequencies since it seemed likely that a decision to award more than one

⁴⁸ Cabinet Minutes, 10 April 1959, Decisions Nos.128 and 129. Decision 128 stated: '(b) that before any action is taken to invite applications for licences, an examination should be made of the possibility of allowing relayed programmes from metropolitan services in addition to the local commercial service, and the effect of such relay arrangements in the development of the local service; (c) that the Prime Minister, the Postmaster-General and the Attorney-General should make this examination on behalf of the Cabinet and report back.'

⁴⁹ AA MP 1170/4 TD2/2 pt1, 'Notes for Minister (following in discussion in Cabinet on 10/4/59)' n.d.

⁵⁰ *ibid* p. 2. The Board's notes for the Minister pointed out that the 'micro-wave transmitters used by the Television stations for [relay] purposes...are all operating under licences granted in accordance with the Wireless Telegraphy Act.' p.3.

licence in country areas would make the existing Frequency Assignment Plan obsolete. Sir Richard Boyer's proposal to have both national and commercial country stations operating on shared transmitters owned by the PMG, a scheme 'which might include both the metropolitan station licensees and independent organizations' was also given serious consideration, although the Board noted that in this case, an Amendment to the Broadcasting and Television Act would be necessary.⁵¹

The Government was lobbied by both country and metropolitan media interests before applications were invited for the stage three licences on 30 April 1959. On March 17, E. L. Sommerlad, Secretary of the NSW Country Press Association, wrote to Davidson arguing in favour of local autonomy for country television and pointing out that this was consistent with past Ministerial statements. The country press, he said, was the authentic voice of rural opinion; it had successfully developed country radio, and should be given the opportunity to control local television.⁵²

On April 2, J. E. Ridley, Managing Director of Country Broadcasting and Television Services Ltd, and licensee of 2GZ (Orange) and 2NZ (Inverell), wrote to the Minister for Labour and Industry, William McMahon, to put the case for local control of country television stations. Ridley argued that in country areas where the population was 100,000 or more, it would be possible to raise the £300,000 establishment capital required for a television station and to operate it at a profit after 2-3 years. Independent local stations need not be dependent on the metropolitan licensees for their programmes:

Enquiries we have made from 60 United States, Canadian and English producers and distributors of programmes show that there would be very little trouble in obtaining much the same type of overseas material for provincial stations as is now presented by the metropolitan stations.⁵³

⁵¹ *ibid* p.4.

⁵² Sommerlad to Davidson, 17 March 1959.

⁵³ J.E. Ridley, 'Provincial Television', Paper sent to McMahon, 1 April 1959, p. 3 In a short note attached to a copy sent to R.G. Osborne the next day,

A single local television station, Ridley believed, would be able to choose from the best programmes currently being presented by the metropolitan stations. Revenue would be mainly from national advertisers with local advertisers (mainly farm machinery distributors and local retailers) being less important. The available advertising revenue would only support one station.

Ridley differed from Sommerlad in being optimistic about independent country stations being able to obtain either initial capital or programmes easily. Sommerlad had admitted:

It is agreed that in many cases financial assistance will be required from outside the service area of a country station. It is also inevitable that some degree of programme co-operation will be necessary with the major television stations already established in capital cities.⁵⁴

Even this modest assessment of the ability of country television stations to remain independent of metropolitan operators was scoffed at by Frank Packer in a letter to Menzies on 20 April 1959. Packer suggested that the country media were seeking 'a monopoly in the country for the [Country] Party members.' He argued that it was economically impossible for country stations to function independently of each other and of the city stations, and suggested that the metropolitan licensees would not provide programmes at competitive rates to stations in which they did not have a financial interest. He proposed that a company be formed

called Country Television in which TCN, our station subscribed for the shares and as each centre was opened up the local residents would be offered shares in this public company until the interest held by the Sydney television station in the country company was reduced to 50 percent. This country company would receive by way of revenue a proportion of the

Ridley wrote: 'ATN are currently showing groups of Federal Politicians over their Epping set up and impressing them with the high costs of operating TV and need for elaborate facilities. Last night was Country Party night - Liberals and Labour have other nights.' Ridley to Osborne, 2 April 1959.

⁵⁴ Sommerlad to Davidson, 17 March 1959.

advertising revenue on the main metropolitan station that the number of sets in each area bears to the total number of sets...in NSW.⁵⁵

Packer was anxious to delay any definite policy decision which would pre-empt the hearings. 'What concerns me,' he told Menzies, 'is that while you are abroad this independent country station idea could be forced through.'⁵⁶ Davidson's announcement to Parliament on 30 April 1959, inviting applications for commercial television licences in 13 provincial and country towns, pre-empted nothing. The number of licences to be authorised in each area was left open as were the questions of frequency allocation, relay stations, and the timetable for opening national stations. However the Minister, choosing his words carefully, indicated that 'as far as practicable' priority would be given to local applicants provided they could provide 'a service comparable to that available to city viewers'.⁵⁷ So contrived a statement invited suspicion, and the Opposition used the opportunity to challenge the sincerity of the Government's commitment to local ownership of country stations. C. R. Cameron (ALP, Hindmarsh) declared at once that it would be 'impossible' for a locally owned company to give the same level of service as a city station and that metropolitan licensees could control country stations by obtaining as little as 10 percent of the shareholding.⁵⁸ One obvious difficulty lay in deciding objectively what constituted a 'comparable service'. One of the original Royal Commission and Control Board rationalisations for the 'localism' policy had been that country stations should reflect the particular needs of their viewers, that

⁵⁵ Packer to Menzies, 20 April 1959 ANL, Menzies Papers, 4936, Ser. 2 Box 90 f 454.

⁵⁶ *ibid.*

⁵⁷ C.P.D. Repts. 30 April 1959 p. 1783.

⁵⁸ *ibid.*, pp. 1784-5. On 18 March 1959, ALP Senator P.J. Kennelly announced the establishment of a watch committee to investigate media ownership and control. The committee was to comprise Senators P.J. Kennelly and N.E. McKenna, A.A. Calwell and H.V. Evatt and was to report to Caucus during the Budget session. *SMH* 19 March 1959.

diversity should be encouraged. But now it was all too likely that 'comparable service' would be widely interpreted as simply the provision of the same high rating programmes as were seen by metropolitan audiences. On 12 August 1959 Davidson, facing damaging speculation that he was tacitly allowing the monopolization of television by the original licensees, moved to clarify the Government's interpretation of Sections 91 and 92 of the Broadcasting and Television Act. The requirement that country stations be 'not associated' with metropolitan stations was to mean specifically 'not associated financially.'⁵⁹

The Minister was responding to pressure from both the Opposition and Liberal members in provincial and rural electorates. Prominent spokesmen in favour of independent country stations included A. Fairhall (Lib. Paterson) and J. M. Fraser (Lib. Wannon), who said:

country television will remain truly country in its interests and control, and in the way in which it is presented...I have been told that certain metropolitan television companies are taking it for granted that they will get licences to relay their services into the country. I certainly hope they have been given no reason by any one at any time to feel confident that the ABCB will recommend granting them permission to do this. The board would most certainly come in for very strong criticism if it made a recommendation to this effect.⁶⁰

Applicants paid close attention to hints like these and it was later noted in the Board's Report on the country licence hearings that applications

⁵⁹ C.P.D. Repts., 12 August 1959, p.170.

⁶⁰ C.P.D. Repts., 11 August 1959, pp. 29-30. A. Fairhall, said that members were 'almost unanimous...that the Government should pay very great attention to the proposal...that the new licences should not fall under the control of existing licensees.' C.P.D. repts. 12 August 1959 p.158. Fairhall, whose family connections the Lambs, controlled the Broadcasting licensee 2KO Newcastle may have had a personal interest in a policy which favoured independent local stations.

'seemed in almost every case' to be designed to convince the Minister that they were from 'local independent companies.'⁶¹

The third stage hearings began on 10 November 1959 and concluded on 3 June 1960. Applicants were represented by counsel, and the Control Board by J. McLaren Young QC. Thirteen separate areas in NSW, Victoria, Queensland, Tasmania and the ACT were covered by a total of 45 applications. In its Report, the Control Board classified the applications into five distinct groups:

1. Applications in which licencees of existing metropolitan stations were shareholders (8)
2. Applications from existing metropolitan licensees (8)
3. Applications from companies controlled by PYE Ltd (4, all in NSW)
4. Applications from companies not associated with the licensees of existing stations (21)
5. Applications associated with Victorian Country Telecasters Pty Ltd (4, all in Victoria)

Metropolitan licensees sought to extend network arrangements into country areas by offering to acquire substantial shareholdings in local applicant companies of between 14.2 and 22.5 percent, in exchange for programme material on relay. Counsel for ATN and TCN claimed that such relay arrangements, by spreading programme costs throughout the network, would bring metropolitan standards of service to the country at the most economical rates. There would be provision for limited local programming and the companies would remain legally independent. Because they were not dependent on the local market to recoup programme costs, two such

⁶¹ ABCB, *Report and Recommendations to the Postmaster-General on Applications for Commercial Television Licences in Provincial and Country Areas, 1960*, Canberra, Govt. Printer, p. 85.

relay stations could operate in each area.⁶² ATN's arrangement with its local licence applicant, Television Australia Ltd, for example, was that ATN would in the first year of operation receive a five percent commission on advertising sales and in the second year, ten percent. ATN would provide the local affiliate station with current programme material.

Existing licensees sought to use as a lever the proposition that continuing investment in Australian programmes was conditional on re-couping funds through advertising sales, and sales of the programmes through subsidiary 'outlets'. J. H. Oswin, appearing on behalf of ATN at the Canberra area licence hearing, argued that the only way quality Australian programme production could be successfully financed was to allow the metropolitan licensees to spread their costs by networking:

In order to make live production compete with overseas film, it is essential that live production be more ambitious than it is today. The way it can be more ambitious is for more people to share its cost and give us enough return to make the program more appealing to the viewer and more able to compete with the American imported program.⁶³

Oswin pointed out that ATN was presently 'subsidising' live programmes since the cost of individual programmes could not be recovered by advertising sponsorships. Low rating live programmes on which the company was losing money included the saturday afternoon sporting service 'where the rating is so low it is unbelievable,' 'a dramatic programme which the sponsor had dropped', *The Burning Question* and *Comment* discussion programmes, and 'a nightly program of live artists with variety and orchestra [which] had not rated well for eighteen

* this contrasted with coverage of special sporting events later, which drew huge audiences.

⁶² *ibid.*, pp. 88-92.

⁶³ *SMH*, 2 December 1959. In summing up, ATN's counsel R.T. Taylor QC, said that this was 'not a threat - it is said by a man [Oswin] who understands his industry,' and he was sure 'The last thing this Board would take would be a threat to it from ATN.' *SMH*, 12 December 1959.

months.'⁶⁴ Oswin gave the impression that ATN was not prepared to continue this indefinitely.

The revenue for country television, Oswin said, would come largely from the national advertisers and not from the local market. In Brisbane and Adelaide, for example, local advertising revenue amounted to no more than five percent of the total, and in Perth the percentage was lower still. The real value of an affiliate station was in providing an outlet for programmes and adding to the national advertiser's market reach. TCN's Chairman Frank Packer argued this viewpoint in a letter to the Chairman of the local Wollongong applicant company, Television Wollongong Transmissions Ltd, in which he wrote: 'a shareholding interest in your station doesn't worry me very much. Whether we are in or out, what I would like to do is have a definite arrangement that you will use our programmes'.⁶⁵ On an individual basis, provincial and country television markets were insignificant profit takers. As Packer put it to the Board in his usual straight forward manner:

The big money is tied up where the people are, two and a half million in Sydney, two million in Melbourne, and Adelaide and Brisbane. If you take all the rest of the country stations, they don't amount to a row of beans.⁶⁶

In contrast to ATN's Henderson and Oswin who took every opportunity to convince the Minister and the Control Board that they would continue to invest in local production especially if granted network outlets,⁶⁷ Packer said it was

⁶⁴ *SMH*, 3 December 1959.

⁶⁵ *SMH*, 20 February 1960.

⁶⁶ *ibid.*

⁶⁷ In an exchange of letters with the Minister, tabled as evidence at the hearing, Rupert Henderson told C. W. Davidson that ATN had spent £600,000 on the drama series *Whiplash* and the company had plans to invest a further £500,000 in additional studios. He added that although 'I do not want to anticipate the findings of the Control Board...it would be

no good talking a lot of nonsense about local live, just because everybody thinks that it is a way of ingratiating yourself with the Board. Generally speaking, local live shows are as dull as ditchwater. I don't believe people look at television for local matter. They like to be entertained. They like to see the big events on television. That is my view.

He expanded this statement, drawing a line between informational and entertainment values:

Television is something more than a newspaper. People don't pay £200 or £300 for a television set to get the results of the lamb sales at Flemington...They want entertainment from television, and that is why they buy it, and the proof of that is the fact that picture show attendances have gone down fifty percent. We have strong pressure on our station for local news. As a matter of fact the news services of the three stations don't get a very high rating.⁶⁸

Although Packer would be proved wrong about the ratings value of news, he was correct about entertainment. Local live shows were unable to achieve the production values of the imported American programmes unless vast amounts of money were spent on them. Packer differed from his rivals at ATN in that he was not prepared to spend that money and he did not mind saying so.⁶⁹

It was in the provision of programme material that the metropolitan licensees held the whip hand over aspiring independent local companies.

impractical...for ATN to afford the expenditure involved in such a major increase in local drama programming unless it is to have an opportunity of spreading these costs by means of a network relay of the programmes'.

R.A.G. Henderson to C.W. Davidson, 22 February 1960, SMH, 10 March 1960.

⁶⁸ SMH, 25 February 1960.

⁶⁹ In answer to a question from the Board's counsel J. McLaren Young QC, whether the public would continue to accept programmes that were predominantly American, Packer replied: 'If they are good programmes they will. They have been accepting American movies for years and years.' SMH, 27 February 1960.

C.L. Mears QC, for Canberra Television Ltd accused ATN of 'buying up more and more Australian rights to its programs. It had 20 to 30 percent of its programs with these rights some time ago, now its library has 60 percent.' He had evidence to show that ATN was offering to supply programs to affiliated stations on relay for 'between £3 and £11.10 per half hour.'⁷⁰ In reply to accusations that metropolitan licensees were tying up programme stocks, A. Larkins QC on behalf of TCN sponsored Australian Capital Television Ltd, offered the counter accusation that local applicants who proposed to form 'facilities companies' for the purposes of buying programmes from film distributors, were in fact themselves creating a 'network'.⁷¹

As the hearings dragged on into the new year a web of conflicting interests was exposed of which those of country viewers appeared to be taking the lowest priority, and none of the parties were emerging with much credit. Backbenchers from electorates covered by the stage three plans called for a speedy resolution to the proceedings. R. C. Wheeler (Lib., Mitchell) told the Parliament that at least two applicants' legal costs had ballooned to more than £30,000 and that the hearings had acquired 'the atmosphere of a criminal court in which the personal character and reputation of witnesses are on trial.'⁷² He was echoed by A. Fairhall who said:

any one reading the transcript could be pardoned for believing that the television world is peopled by scoundrels and liars and that the Board's function is to single out the least reprehensible of them and reward them with licences.⁷³

However before all the issues surrounding the country licences could be resolved, technical problems concerning the available channels had to be considered. The Board held a technical conference on 26 - 29 April 1960,

⁷⁰ *SMH*, 5 December 1959.

⁷¹ *ibid.*

⁷² C.P.D. Repts., 9 March 1960, pp. 88-9.

⁷³ C.P.D. Repts., 10 March 1960, p. 180.

attended by forty representatives of the PMG, ABC, CSIRO, licence applicants and receiver manufacturers. The conference determined that every effort would be made to find extra channels (at least three) on the VHF band to accommodate current planned television development (including a third station in Newcastle, and fourth stations in Sydney and Melbourne). Beyond this, it would be necessary to make use of the UHF band.

In Parliament on 12 May 1960, the Government moved to strengthen the provisions of Section 91 of the Broadcasting and Television Act to prevent metropolitan licensees exercising control of country stations through minority shareholdings. The amendments were designed to ensure that the possession of more than 15 percent of the shares in a licensee company amounted to 'financial control' for the purposes of the Act, instead of the previous 50 percent required. This measure failed to convince the Opposition which maintained that any holding over 10 percent could deliver control to a network principal. E.J. Ward said the definition of 'control' was still 'as wide as Sydney Heads.'⁷⁴

Nevertheless when the Control Board's recommendations on the provincial and country area licences were finally handed to the Minister on 17 August 1960, it seemed that the principle of independent local ownership was being upheld. Only one licence was to be awarded in each area to a local applicant, usually a company based on the local newspaper or radio station. Licences were to be granted with the proviso that

the licensee shall not enter into any exclusive arrangement with any metropolitan commercial television station for the provision of programmes or the sale of station time or advertising.⁷⁵

This time the Government accepted the Board's conclusions without demur. It remained to be seen whether the new restrictive provisions of

⁷⁴C.P.D. Repts., 19 May 1960 p. 2024.

⁷⁵ op. cit., ABCB Report, Provincial and Country Areas, 1960, p.156.

Section 91 of the Act would be an effective defender of the principle of 'localism,' or whether the policy itself, based on a tenuously held concept of regional diversity, would prove sustainable against the pull of the networks, and the cultural standardization encouraged by the popular medium.

Chapter 6.

Around the Nation with the Networks

On 11 November 1960, three days after his announcement of the successful applicants for stage three television licences, C.W. Davidson issued a statement directed 'particularly to the Queensland country press' reaffirming the government's commitment to its 'localism' policy and at the same time insisting that 'there should be the same scale and scope of services available to country people as are available to city dwellers.' Saying that he saw no need to licence more than one commercial station in each country area at present, Davidson wished to 'make it quite clear that additional commercial stations may be approved as the service develops and the need for additional independent stations is demonstrated.'¹ Before stations could be opened, sites would have to be chosen and the existing Frequency Assignment Plan, first published by the Control Board in 1955 would have to be revised. Davidson said that a Radio Frequency Allocation Review Committee was currently investigating channel allocation problems which would have to be solved before transmission commencement dates could be announced.² The immediate task confronting the Minister and the Control Board was to provide sufficient channels for the planned expansion of television in ways which would be broadly compatible with, and minimise disruption to, existing facilities and services.

In a report dated 23 January 1958, the Director of the Control Board's Division of Technical Services, D. McDonald, argued that sufficient channel space could be found within the VHF band to allow for greater expansion of

¹AA MP 1170/4 TD 2/2 pt 1 C.W. Davidson, Press Statement 'Television - Its extension to country areas' 11 November 1960, with marginal note: 'Issued particularly to Queensland country press by the Minister.'

² *ibid.*

television services than originally projected; to allow for up to three, rather than two channels in major regional centres. McDonald did not believe that the use of the UHF band was desirable at the present stage because its inferior reach would require a larger number of more powerful transmitters in country areas.³ Nor was UHF receiving equipment as efficient, 'a shortcoming associated with development of suitable receiving valves.' In reasoning which echoed that of the original 1955 decision in favour of confining transmission to VHF, he considered that UHF receivers would be a disruptive introduction at the current stage of the industry's development, because of the greater complexity, and hence cost, of receivers.⁴

When the need for the expansion of television services beyond the limits of the original 1955 Frequency Assignment Plan became apparent to the Minister and the Control Board, a Radio Frequency Allocation Review Committee was set up in 1959 under the chairmanship of Professor L. G. Huxley to examine radio frequency utilization and to allocate bands of the spectrum to conform with standards established at the International Telecommunication Convention held in Geneva in 1959.

³ AA MP 1170/4 TF 3/1 pt 1 ABCB Report; 'Extension of Television Service to Country Areas', D. McDonald, 23 January 1958. McDonald wrote: 'From a coverage viewpoint UHF is at a disadvantage compared with VHF. For example from a site 500 ft. above average terrain it is estimated (on the basis of FCC engineering data) that whereas a VHF station to provide a rural grade of service to 47 miles would require 100 kw e.r.p. [effective radiated power] a UHF station would require 1000 kw e.r.p. Further, the UHF would be inferior to VHF in providing service to pockets of population in areas behind hills.' p. 11

⁴ Mc Donald wrote: 'From the receiver manufacturers' viewpoint it may be unattractive as it would mean development of a new receiver type for use in a portion of the frequency spectrum where there has been little experience in Australia, and it seems certain that the cost of a UHF receiver would be more than its VHF equivalent.' *ibid.* p.11.

The Committee's deliberations were interrupted on 23 September 1960 when the Postmaster-General asked 'as a matter of urgency'⁵ that it should determine whether thirteen television channels could be accommodated on the VHF band. The Committee duly reported on 21 November 1960 that thirteen channels, each of 7 Mc/s bandwidth would be available for television in the VHF band although 'only at some inconvenience and cost to other services.'⁶

On 8 December 1960, the Minister announced the new thirteen channel arrangements and after a meeting between the Control Board and receiver manufacturers on 5 January 1961, it was agreed that the new channels would be numbered 0, 1, 4, 5, 5A, 10 and 11. Of these, 0, 1, 5A and 11 were to be available for transmission from 1962 and the rest immediately. Although metropolitan channels would remain unchanged, viewers in the Newcastle, Illawarra, Central Tablelands, Bendigo and Latrobe Valley areas would need to modify existing receivers to receive signals from their new regional stations at a cost estimated at between £3 and £10.

The thirteen commercial and thirteen national stations opening under stage three of the extension of television services were allocated channels and transmission sites in a report first submitted to the Minister on February 2 and publicly announced by him in a press statement of 21 February 1961.⁷

The channels were listed as follows:

⁵ *Report of the Radio Frequency Allocation Review Committee*, Commonwealth Government Printer, Canberra, 1961, p.7.

⁶ *ibid.*, Appendix 4, p. 69. The original frequency assignment plan, published as Appendix C of the Control Board's Seventh Annual Report 1955, Govt. Printer, Canberra 1955, allowed for a channel bandwidth of 7.5 Mc/s. See *ft. note 11*, p. 4, Ch. 2 above.

⁷ AA MP 1170/4 TC 1/1 pt 2, ABCB Memorandum for the Minister: 'Licences for commercial television stations in country districts,' signed R.G. Osborne, 2 February 1961, the Control Board's formal approval appears in the Minutes of a meeting held on 21 April 1961.

Area	National Stations	Commercial Stations
Canberra	Channel 3	Channel 7
Newcastle-Hunter	5	3
Central Tablelands	1	8
Illawarra	5A	4
Richmond-Tweed	6	8
Ballarat	3	6
Bendigo	1	8
Latrobe Valley	4	10
Goulburn Valley	3	6
Darling Downs	3	10
Rockhampton	3	7
Townsville	3	7
N E Tasmania	3	9

All the new stations were to operate at 100 kw e.r.p. with the channels being allocated so as to minimise interference from transmitters in adjacent areas.

When stage three stations were complete, a further 15 percent of the population would be within reach of television transmission making a total of 81 percent for the whole of Australia. The new thirteen channel frequency allocation allowed for a maximum of five channels in the capital cities and four in major country areas. On 11 February 1961, the Director-General of Posts and Telegraphs, M.R. Stradwick, announced that after discussions between Control Board and PMG representatives, an extensive network of relay facilities had been planned for the stage three national stations. This network had the potential for shared use by commercial stations should the need arise.⁸

A vast grid of transmitter and repeater station sites was mapped out over country Victoria, NSW, and the closer settled districts of Queensland during 1962. Distinctive transmitter towers appeared on mountain tops ^{distinguishing} ~~disfiguring~~ ~~(some said)~~ local landmarks such as Canberra's Black Mountain, Newcastle's Great Sugarloaf, or Mt Buangor near Ballarat. They were the physical evidence of a new information linkage tethering the bush to the cultural environment of the cities in ways at least as significant as the 'iron rails' of the 19th century.

⁸ SMH, 11 February 1961.

The Government's localism policy, based on the enduring Australian concept of distinct rural interests and identity, insisted that country stations be funded from a local capital base and that they must not rely on a single metropolitan programme provider.⁹ The impact of these policy assumptions was counteracted on a daily basis by the content of the programmes transmitted on country stations. Country viewers became as familiar as city audiences with the imported domestic comedies, westerns, old films, and variety, which formed the bulk of commercial schedules, with brief interruptions for local news, sport or community announcements. Commercial television stations in rural areas derived 95 percent of their advertising revenue from national advertisers and these advertisers supported programmes that rated well everywhere. The integration of rural television with the national marketplace was what determined programme content, not the capital base of the licensee.

Technological improvements helped accelerate this process. Programme sharing with the metropolitan stations was a far less cumbersome process than it had been in 1956-7. By 1961 the replacement of kinescope by videotape for recording live programmes had brought great improvements in picture quality. At the same time the completion of the Sydney/Melbourne co-axial cable allowed 'direct, simultaneous telecast to both cities of the same picture with the same commentators.'¹⁰ First used on a trial basis in February 1961, when a telecast of the funeral of the

⁹ A report containing an historical analysis of the localism policy: 'Localism in Australian Broadcasting: A Review of the Policy,' was published by the Commonwealth Department of Communications in August 1984. See Ch 2, *passim*. The Review's author was former ATN 7 General Manager J.H. Oswin, who became Head of the Department of the Media in 1973 under the Whitlam Government, and who was described on p. iii of the Review as, 'Special Adviser to the Minister and the Department of Communications.'

¹⁰ *SMH*, 6 February 1961.

Governor-General Lord Dunrossil in Canberra, was relayed to Sydney and Melbourne, the co-axial cable was used on a routine basis for programme sharing by April 1962. In a press statement of 9 March 1962 Davidson drew attention to the considerable capital costs and engineering effort that the cable represented. It extended over a 603 mile route and had cost £5 million. In addition to allowing direct television relays between Sydney, Canberra and Melbourne, it provided facilities for hundreds of direct telephone/telegraph transmissions. Soon, in Ann Moyal's words,

explosives shattered unyielding rock, moleploughs rolled out the cables and buried them beyond the reach of other destructive assaults. Coaxial cables and microwave relay systems would girdle the continent before the decade of the 1960's was out.¹¹

The cables and relay systems exposed rural Australians ever more thoroughly to metropolitan tastes and standards, as well as to the branded merchandise of national advertisers, although the effects of this on the perceptions and expectations of country people remained to be measured.

During 1961 the Government was operating in an environment of economic recession with an election due at the end of the year. Although the Opposition kept up political pressure to extend the national service throughout rural areas as rapidly as possible, the cost was high - with establishment costs of the thirteen stations in stage three amounting to nearly four and a half million pounds.¹² By contrast, commercial licences cost the government nothing and there was no evidence to suggest that rural constituents differed from the majority of the rest of the population in preferring commercial television. In any case the opening of national stations tended to lag behind that of the commercials in rural areas.

The Control Board decided in its meeting held on 2 February 1961, to recommend that there be some sharing of the extensive establishment costs

¹¹Moyal, A., *Clear Across Australia: A history of telecommunications*, p.239.

¹² see chapter 5 above.

of the country stations. From there, it was but a small jump to shared transmitters:

the national and commercial stations would in most cases be called upon to share the costs of access roads and certain other ancillary services and that in principle the Board saw no objection to the extension of this arrangement to other facilities. ¹³

In Parliament on 19 April 1961, in answer to a question from P.E. Lucock (C.P. Lyne), Davidson foreshadowed a fourth phase of expansion of television services 'although the third phase is not yet entirely off the board's books so to speak.' He indicated that a departmental committee was already engaged in planning the fourth stage, and admitted that the most significant difficulty to be encountered in the further extension of rural services was that the insignificant markets represented by many of the areas in question would make independent commercial stations an unattractive proposition for investors. At the same time he hastened to agree with those rural members who argued that transmission coverage should be extended 'in areas where people have been waiting patiently for it,' before services were duplicated in the more profitable capital cities. ¹⁴ Davidson was aware that concessions would have to be made to attract investors into unattractive rural markets, concessions that would have to be as politically innocuous as possible in an election year. The sharing of transmission facilities between national and commercial stations was a possible form of subsidy to be considered, as was the licensed relay station.

¹³ AA MP1170/4 TC 1/1 pt 2 ABCB Minutes of Meeting, 2 February 1961.

The note added that in the mean time however 'a number of practical problems were involved, including the likelihood that in most areas the commercial stations will commence transmissions before the national stations and the question of the means by which provision would be made for the possible establishment of additional services in an area at a later stage.'

¹⁴ C.P.D. Repts. 19 April 1961pp.978-9.

Two weeks earlier, on 4 April 1961, Davidson had met with his departmental chiefs, R. G. Osborne, M.R. Stradwick and the Commission's Sir Richard Boyer to discuss policy issues underlying stage four of the extension of television services. Osborne noted in his record of the discussion that Davidson had wanted to be 'in the position to make a statement of Government policy about the next stage...later in the year.' Davidson thought the fourth stage should include about ten areas, and that as a first step, interested parties should be invited to indicate whether they wished to apply for commercial licences and on what basis. He pointed out that the provision of national stations in these areas 'would be a lengthy process.' Depending on the level of commercial interest and the cost of the national stations, it would be possible at last to decide if services 'whether national or commercial, or both, would be provided in as many areas as appeared practicable.' ¹⁵ In other words the course to be followed would be determined by the commercial viability of each of the proposed stage four areas. Davidson was sure in any case that only one commercial licence could be granted 'at the outset' in any area.

It was decided that a small departmental committee with representative technical officers from the Control Board, the Postmaster-General's department and the ABC would determine the broad outlines of policy in line with the Minister's views. The committee's deliberations would focus on the practical extent of development in stage four 'having regard to the heavy commitments in the third stage,' the basis of selection of stage four areas - 'presumably' on a 'population basis.' Finally the committee would

¹⁵ AA MP 1170/4 TD 2/2 pt 1 ABCB Agendum: 'Further development of television services, fourth stage' report of meeting attended by Davidson, Osborne, Stradwick, and Boyer on 17 April 1961, Osborne's report of the discussion, 21 April 1961.

determine whether national and commercial stations would operate on a relay or shared transmission basis.¹⁶

A letter detailing the policy issues set out by the Minister and inviting ABC participation in the departmental committee, was sent to the Chairman of the ABC, Sir Richard Boyer on 24 April 1961 and it was answered, after Boyer's sudden death on 5 June, by the acting chairman, E. R. Dawes. The Commission, Dawes said it was 'most important' that a national station be provided in each of the areas included in stage four at 'approximately the same time as any commercial stations' were to be provided; for in the Commission's view:

our audiences have been prejudiced in the past where the national station has come into service substantially after its commercial competitor. ¹⁷

Dawes agreed with the Control Board that population should be the criterion for selecting the areas to be covered as part of stage four, however he said this should be on a national basis 'so that at least one area in every State is included.' Here the Commission differed slightly from the Board which, with the viability of commercial licensees in mind, had to consider population in terms of the market it represented, as well as in terms of its proportion of the total national audience. As R.G. Osborne remarked on 21 April 1961:

Many inquiries have also been received from persons interested in obtaining licences to operate stations in several areas. Some of these relate to areas which are doubtful economic propositions and...great care is necessary to ensure that licences are not granted for stations in areas which have no reasonable prospects of operating profitably.¹⁸

¹⁶ ABCB Minutes, 21 April 1961. The members of the committee included the PMG's R. P. O'Grady (deputy Director- General) and H.W. Hyett, (Supervising Engineer), D. McDonald and J. M. Donovan of the Control Board's Division of Technical Services, and for the ABC, Assistant General Manager A.N. Finlay, and controller V.F. Kenna.

¹⁷ AA MP 1170/4 TD 2/2 pt 1, E.R. Dawes to R.G. Osborne, 8 June 1961.

¹⁸ op. cit., ABCB Minutes, 21 April 1961, signed Osborne.

On 1 September 1961, the Control Board presented a twenty page report to Davidson outlining the departmental committee's proposals for the fourth stage of the development of television services. The plan was extremely ambitious, covering 20 national stations and involving an expenditure of approximately £10 million over five years. Although they wanted to adhere to the dual policy where practicable, the Board believed the commercial viability of stations in areas with a population of less than 70,000 was doubtful and therefore some fourteen designated areas with a total population of 593,000 would have a national service only for the time being.¹⁹

It was proposed to invite applications for commercial licences in the remaining six of the stage four areas where markets were reckoned large enough to support them. These areas centred on Tamworth, Grafton/Kempsey, Wagga, Albury, Maryborough (Qld), and Port Augusta. The Board advised the Minister against the idea, put forward in the third stage Cabinet proposal of 10 March 1959, which was that expressions of interest be sought on a general basis from potential applicants as a guide to the number of rural television licences the market would bear. In its view:

any invitation for the submission of proposals by persons interested in the establishment of commercial stations in the smaller areas would not, at this stage, produce any useful result. It may only encourage the residents of the area to anticipate the provision of a local commercial station without any real foundations...There will certainly be some people who will give assurances readily as to their prospects, but these cannot be accepted at face value.²⁰

¹⁹ AA MP 1170/4 TD 2/2 pt 1, R.G. Osborne to C.W. Davidson, 1 September 1961, and ABCB Report: 'The Further Development of Television Services in the Commonwealth - Fourth Stage', 1 September 1961. The areas to be provided with only a national service at first were: Taree, Dubbo, Griffith, Broken Hill, Bega/Cooma, Mildura, Swan Hill, Cairns, Mackay, Warwick, Mt Gambier, Bunbury, Albany, Northam/York, p. 13.

²⁰ ABCB Report: 'Further development of Tvn. Services - Fourth Stage,' p.17.

The Board also considered that it would be politically unwise to foreshadow any announcement of third licences being granted in Sydney, Melbourne, Brisbane or Adelaide until some progress had been made with the country stations. Such a move would most probably 'give rise to considerable resentment', very unwelcome in an election year.²¹

The Board's cautionary advice about not granting licences in areas with a population of less than 70,000 was ignored in Davidson's statement to Parliament on 18 October 1961, announcing the Government's decision to invite applications for commercial television licences in all twenty areas of stage four. He made it clear that the market would determine which areas got a commercial licence:

Whether or not every one of those areas warrants a commercial station is a matter for decision in the first place by those who may wish to make application for a licence. It will, of course, be necessary for them to present an acceptable case to the Board.²²

Davidson held out the possibility of assistance to successful applicants in sparsely populated areas in the form of arrangements with an adjacent licensee 'for some form of relay or programme sharing, or even financial assistance'.²³

The proposal thus outlined had immediate and wide-ranging electoral appeal. All twenty areas nominated could feel that some progress towards obtaining television services was being made. Country residents in all areas were also being offered a choice of services instead of a single national service in the less populated districts.

Although advised by the Control Board that most country areas would be struggling to support one commercial television station, Davidson was careful to keep options for a second license in larger provincial centres

²¹ *ibid* p. 18.

²² C.P.D., Reps., 18 October 1961 p. 2205.

²³ *ibid.*, p. 2206.

open, especially now that the 13 channel revised frequency arrangements made this feasible. He assured A. S. Luchetti (ALP, Macquarie) that although only one licence was for the present being granted in each one of the stage three areas 'at some time in the future, when the initial stations have had time to become established...consideration would be given to whether a second station should...be established.'²⁴ The general public, unconcerned with the economic viability of stations, were uninhibited about their desire for more commercial stations. A Morgan Gallup Poll published on 5 February 1961, showed that 72 percent of respondents in the Canberra, Illawarra, Central Tablelands, and Newcastle/Hunter River districts wanted two commercial stations, and that only 15 percent wanted one. The main reasons cited in favour of two were, variety of programme choice and the view that competition would lead to better programmes.²⁵ Rural constituents also let their opinions be known. On 18 February 1961, for example, the Dubbo branch of the Liberal party had passed a resolution deploring the Government's decision to grant only one commercial licence in country areas for the foreseeable future. ²⁶ The Minister was also lobbied by rural interest groups such as the NSW Wool and Wheat Growers Association whose members feared they would only get a limited service. The Association's Secretary, M.S. Ruddock, advised Davidson of the resolution carried at its recent conference which stated: 'primary producers desire high-standard programmes, with perhaps a proportion of items with special educational significance for farmers.'²⁷

²⁴ C.P.D., Repts., 19 April 1961, pp. 976-7.

²⁵ *SMH*, 5 February 1961.

²⁶ *SMH*, 18 February 1961.

²⁷ AA MP1170/4 TD 2/2 pt 1, Ruddock to Davidson, 27 September 1961. It is clear from the context that by 'high standard' Ruddock meant 'high rating' programmes.

In the weeks leading up to the Federal election on 9 December 1961, Davidson carefully negotiated the political minefields of rural voter discontent about the restricted scope and slow pace of television development, Opposition criticism that the Government was allowing the opening of stations in the national rural network to lag behind those of commercial stations, and accusations that licensees of sole commercial stations were being handed monopolies.²⁸ He was careful to reassure rural constituents that their needs were not going to be neglected in favour of further capital city licences being issued, a question to be dealt with, he said 'at a later stage'.²⁹

The 1961 federal election was a near-run thing for the Liberal/Country Party coalition. The Government was returned with a majority of two, having lost fifteen seats, eight of them in Queensland where the ALP vote was up by ten percent at the expense of both the coalition and the Queensland Labor Party. The Liberal member for Corio and Minister for Shipping and Transport, H. F. Opperman, later wrote that the feeling in the party room was that there had been insufficient Cabinet attention given to issues affecting Queensland.³⁰

This was something Davidson had to bear in mind when on 8 March 1962, before the fourth stage country licence hearings had begun, he invited applications for a third commercial television licence in Sydney, Melbourne, Brisbane and Adelaide. A week later the leader of the Opposition, A.A. Calwell, sensing the Government's vulnerability on the issue, called for an urgency debate to consider:

²⁸ C.P.D. Repts. 19 April 1961, p. 976.

²⁹ C.P.D. Repts. 18 October 1961, p. 2206.

³⁰ (Sir) H.F. Opperman, *Pedals, Politics and People*, Sydney 1977, p.367: For an analysis of results in the 1961 federal election see 'Political Chronicle,' *Australian Journal of Politics and History*, Vol VIII, No 1, May 1962, pp. 98-101.

the injury to the public interest involved in increasing the number of commercial television licences in the capital cities; and the need instead to increase the number of national television licences in all areas and to appoint a select committee to investigate the conduct and standards of television in Australia.³¹

The move sent Davidson immediately on to the defensive. During the following week he made a rapid tour of Queensland coastal districts centred on his own electorate of Dawson, but including Rockhampton and Bundaberg as well as Mackay and Proserpine, distributing press statements and giving radio interviews in an attempt to reassure his constituents that the decision to issue more metropolitan licences had not deflected the Government from its promise to provide them with television services as quickly as possible. Davidson appealed to the popular preference for commercial television services by telling voters: 'Labor would nationalise television if it could,' and that the Opposition favoured delaying the issue of commercial licences in country areas until after national stations began operating.³²

While Davidson was busy defending the Government's decision to licence more stations in capital cities, 38 applications were received for licences in eighteen of the twenty country areas of stage four.³³ The Control Board heard the applications for six of the most populous areas during May and June 1962. In some cases licences were awarded to companies based on local newspaper and radio stations in association with minority shareholders who were also principals in metropolitan licensee companies. These were ATN 7's Managing Director, Rupert Henderson in the SW Slopes /E Riverina area, and AWA in Albury/Upper Murray, and Grafton/Kempsey.

³¹C.P.D., Repts., 14 March 1962, p.765.

³² AA MP 1170/4 TD 2/2 pt 1, Ministerial Press Statements, Bundaberg 23 March 1962, Rockhampton, 19 March 1962, and radio script for 4MK Mackay.

³³One of these applicants withdrew leaving 37 to be dealt with by the Control Board.

Of the six licences, three - Upper Namoi (Armidale), Grafton/Kempsey, and Wide Bay (Maryborough), were awarded to the sole applicant, another - Spencer Gulf North, was withdrawn.³⁴

The applications for licences in the twelve remaining districts were referred to the Control Board on 30 July 1962. The Board conducted inquiries into these applications between 5 March and 11 April, 1963.

Licences in four areas, Manning River (Taree), South West Slopes (Parkes, Dubbo, Mudgee), Murrumbidgee Irrigation Area, and Mildura, were granted to companies based on local newspapers and radio stations. The applicants awarded the licences for the South West Slopes and Southern Downs areas proposed to establish stations to take programmes on relay from adjacent licensees in the Central Tablelands and Darling Downs areas respectively. Licences for the Cairns, Mackay and Southern Downs areas were awarded to sole applicants, as were licences in the South East of South Australia, Broken Hill, and Bunbury districts. In most cases the successful licensee companies were based on the local newspaper and/or radio station. Applications for licences in the Bega/Cooma, and Murray Valley areas were withdrawn.³⁵ By the time Davidson announced the final group of stage four licensees, on 18 September 1963, 11 national stations were operating in the areas with a further three to open during 1964. The completion of stage

³⁴ ABCB, *Report and Recommendations to the Postmaster-General on Applications for Commercial Television Licences in the Upper Namoi, SW Slopes & E Riverina, Grafton/Kempsey, Upper Murray, Wide Bay, and Spencer Gulf North Areas*, Canberra, Government Printer, 1964.

³⁵ ABCB, *Report and Recommendations to the Postmaster-General on applications for licences for commercial television stations in the Manning River, Central Western Slopes, Murrumbidgee Irrigation Area, Bega/Cooma, Broken Hill, Mildura, Murray Valley, Cairns, Mackay, Southern Downs, South East of South Australia, and Bunbury areas*, Canberra, Government Printer, 1963.

four meant that 91 percent of Australians were within reach of television transmission.

In awarding licenses the Control Board was able to apply the localism policy in the majority of cases, depending on combinations of local media, entertainment, and primary industry interests to supply sufficient establishment capital. Where examination of applicant companies showed evidence of significant out of town shareholdings, as they did in South West Slopes, Upper Murray, Murrumbidgee Irrigation area, and Mildura, where applicants were sponsored by Electronic Industries Ltd, they were rejected in favour of their locally financed competitors.³⁶

For other areas the principle of independent local control was harder to maintain. In two cases (Broken Hill and the South East of South Australia), licences were awarded to sole applicants partly sponsored by Electronic Industries Ltd, and in Bunbury the sole applicant granted a licence, was sponsored by West Australian News Ltd, a shareholder of licensee TVW Perth. These areas, together with Grafton/Kempsey, Upper Murray, and South West Slopes and Eastern Riverina areas part sponsored by AWA and Rupert Henderson³⁷, meant that of the fifteen country areas awarded commercial television licences as part of stage four, two fifths counted metropolitan interests among the major shareholders.

Despite this, in announcing the successful licensees for the first six areas on 4 October 1962, Davidson warned of the Government's determination to make the localism principle stick, by requiring assurances 'that no exclusive

³⁶ A controlling interest in Electronic Industries Ltd (receiver manufacturers) had been acquired by Pye (UK) Ltd in 1960. In 1962 Pye Ltd held 40.1 percent of class 'A' shares in the company. Sir Arthur Warner, who had sold his controlling interest to Pye Ltd, retained 15.3 percent of shares. *ibid.* para. 18.

³⁷ Rupert Henderson, formerly Managing Director of John Fairfax and Sons Ltd, Associated Newspapers, and Chairman of ATN 7 Sydney.

arrangement will be entered into with any metropolitan station for the provision of programmes or the sale of station time or advertising.'³⁸

These remarks indicated the Minister's awareness of the tensions and inconsistencies at the heart of the localism policy.

Metropolitan licensees were interested in establishing informal 'networks' of country affiliates, not because of any advertising sales profits they were likely to make, but because they represented 'outlets' for programme sales, spreading costs and adding to the total national audience which was sold to advertisers. Each rural station added to a 'network' increased its total market share at the expense of its competitors. Informal associations with metropolitan licensees were sustained by a web of minority shareholdings in local radio and newspaper companies which controlled country stations. Network controls were also maintained by means of the control exercised by metropolitan licensees over film distribution - by buying up rights to imported films and negotiating exclusive contracts with the leading British and American distributors for the supply of films and television programmes. On 25 July 1961, the Control Board's senior programme officer in Sydney, W.J. Hart, reported to the Director of programme services, J.M. Donovan that Ken Hall, Manager of TCN 9 Sydney had called a meeting the previous day with representatives of all leading American film distributors in this country, Screen Gems, CBS, and NBC, at which Hall told the distributors that his company was prepared to pay eleven dollars per half hour for the Australian broadcast rights to films. Hart reported that 'This proposal was handed out as an ultimatum...and that the company could..."take it or leave it."'³⁹ Arrangements like this, effectively ensured that distributors were faced with the choice of supplying the metropolitan

³⁸ ABCB, Fifteenth Annual Report 1962-3, Canberra Government Printer, 1963, para. 126.

³⁹ AA MP1170/4 TA 3/2, W.J. Hart to J.M. Donovan, 25 July 1961. *Because there were so few major metropolitan licensees they were readily able to agree among themselves to keep prices down. Hall's letter was based on such an agreement.*

licensees (and their network regionals) at the licensee's price, or being excluded from the market altogether.

In vain the Minister cautioned rural licensees against 'entering into exclusive arrangements' with metropolitan stations to provide programmes, when *de facto* agreements, perhaps facilitated by a board member who happened also to be associated with a city station, achieved the same purpose.

In pursuit of its policy of maintaining the independent capital base of rural commercial television stations, the Government issued licences only to stations which were potentially profitable in their own right. However advertising sales in country districts were minimal; real profits came only from network affiliation, where rural stations took a share of the total network profits proportionate to the size of the audience they delivered.

The market imposed its imperatives on commercial television in spite of the Government's attempt to foster localism. Where relatively modest cost structures had allowed a measure of local independence and greater competitiveness in radio, television was on a different scale and no 'independent' licensee could survive without access to the major programme sources. The extremely small size of the individual markets represented by the stage four stations exposed the tenuous nature of the localism principle. It was clear that had all these stations operated on relay, without any insistence on local autonomy, country audiences in larger centres would have had a choice of two commercial services subsidised by rival networks. This is what occurred nearly thirty years later with the adoption of the so called policy of 'equalisation' of rural services.⁴⁰

⁴⁰ The commercial television 'equalisation' policy, which involved the transmission of three network services to rural areas using UHF band channels by consolidating adjacent markets, or 'market aggregation,' was first implemented in southern NSW on 31 March 1989. This followed the announcement by Senator Gareth Evans, Minister for Transport and

Meanwhile, despite attempts to regulate share transactions in licensee companies, and to reserve fifty percent of shares in rural stations for local investors, such stations were drawn into the orbit of the network system, a trend immediately reflected in their programme schedules. Rural conservatives like H.J. Bate (Lib. Macarthur) described the impact of this process in emotional terms:

We have been proud of the fact that in our country districts we have had people capable of clear and independent thought and rugged individualism...They have had the courage to say things that have needed to be said. These have been the people in control of small country newspapers...But we have seen the big metropolitan newspapers become the creatures of their advertisers...I ask the Postmaster-General whether these large companies have denied programmes to the small country stations and then, having crushed the country stations and ground them into the dust, have used the enormous sums of money available...to them to take over the country stations.⁴¹

Bate ended his speech with a call for a Royal Commission to inquire into television ownership and control. His remarks were timely, for at the same time the Government was intervening to prevent the newly licensed Wollongong and Newcastle stations from being forced to close by having programmes withheld by their Sydney based rivals. The episode provides a graphic illustration of the methods used to consolidate network control over the provincial and country stations.

In May 1962, in response to complaints from WIN and NBN, Davidson had written to programme distributors, NBC International, MCA, CBS Films Ltd, Fremantle International, Twentieth Century Fox Television Services, United Artists, Warner Bros., ATV, and Screen Gems, requesting them to supply the stations. The distributors replied to the effect 'that they had been

Communications, on 25 August 1988. See, Department of Transport and Communications, Annual Report 1988-9, A.G.P.S. Canberra, 1989, p.95

⁴¹ C.P.D. Repts. 6 November 1962, p. 2067.

faced with the choice of supplying programmes to WIN and NBN or to the Sydney stations.⁴²

Because of their proximity to Sydney, WIN Wollongong and NBN Newcastle were in what was termed areas of 'overlapping transmission' in which their signals could reach some of the Sydney audience and thereby compete with the Sydney stations for market share. In response to this threat, ATN and TCN had used their superior buying power to prevent distributors from supplying the regionals. Seeking to defend the actions of his company, the Chairman of Sydney's ATN 7, R.A.G. Henderson said that although 'the current programs being shown by the metropolitan stations [were] not available:'

to suggest that the metropolitan stations have bought up or cornered the rights of program material to prevent Newcastle and /or Wollongong securing them is just not true. The real problem, as stated, is the preference shown by their audiences for the greater variety, higher quality, and longer viewing hours of transmission on the metropolitan stations.⁴³

The point was that although previously shown programmes were available to the Newcastle and Wollongong stations, the programmes currently being shown on the capital city stations were denied them. As Henderson ingenuously put it:

The other country stations have had no difficulty in obtaining audiences with much the same program material as that generally available to Newcastle and Wollongong, because they are beyond the range of the metropolitan stations.⁴⁴

Having failed to move the distributors, the Minister informed all licensees on 25 January 1963 of his intention to impose further conditions on licences, which would prevent metropolitan stations from obstructing programme purchasing by regionals. Amalgamated Television Services,

⁴² ABCB Fifteenth Annual Report, 1962-3, Government Printer, Canberra, 1963, para. 116.

⁴³ *SMH*, 1 December 1962.

⁴⁴ *ibid.*

licensee of ATN 7 Sydney, and Television Corporation Ltd, licensee of TCN 9 Sydney, subsequently sought and were granted a High Court injunction against the imposition of the Minister's conditions. Arguing the case for ATN, J.D. Holmes QC said:

ATN produced expensive live shows and costs could be recouped only if they were sponsored on a national basis and exclusively televised on its network stations. These conditions [which the Minister sought to impose] would prevent ATN entering into such an arrangement with a sponsor.⁴⁵

The case was brought before the full bench and on 28 August 1963, the court decided that under the present form of the Broadcasting and Television Act 1942-62, the Postmaster-General had no power to impose further conditions on licences.⁴⁶ *However this situation was remedied with the amendment to the Broadcasting and Television Act (No. 38 of 1965). **

In keeping with ATN's counsel's assurances that if the High Court determined the question in favour of the plaintiff 'it would be an end to the matter,' the Sydney licensees moved swiftly to absorb the Newcastle and Wollongong stations into their networks as soon as the decision was handed down. While the case was proceeding, a controlling interest in WIN was bought by Rupert Murdoch, who also acquired a 25 percent stake in TCN. The deal was reported to be worth £2,199,165.⁴⁷ Murdoch later joined

⁴⁵ *SMH*, 31 May 1963.

⁴⁶ In handing down his judgement Mr Justice Kitto said: 'the rights and privileges conferred by a licence appeared to consist in nothing but freedom from the prohibition in Section 6 of the Wireless and Telegraph Act. What could interfere with that freedom I do not profess to understand.' *SMH*, 29 August 1963.

⁴⁷ *Canberra Times*, 21 June 1963 and 8 July 1963. Unlike WIN's previous owners (Television Wollongong Transmissions Ltd), Murdoch was undaunted by the distributors. He negotiated directly with the director of American Broadcasting Corporation, Donald Coyle, and secured the supply of top rating programmes. He was able to use this as a lever to extract the concessional shareholding in Packer's TCN 9 which, in George Munster's words, 'made him part of the club.' Munster, *Paper Prince*, pp. 68-9.

* The Act amended Sect. 134 of the Regulations to empower the Minister (d) 'to direct a person (including the licensee of a commercial television station) to grant rights to the use of any material or matter in televised programmes to the licensee of a commercial television station in accordance with the direction'.

with Packer to acquire a 40 percent share of the NBN Newcastle licence, a transaction approved by Davidson on 16 September 1963. The bland account of these transactions in the Control Board's 1963 Annual Report certainly revealed nothing of the Government's failure to preserve the independence of the provincial stations:

Following changes in the constitution of the companies holding the licences for stations WIN and NBN, the difficulties regarding the procurement of programmes have been largely overcome.⁴⁸

Meanwhile the newly consolidated networks promoted themselves as new corporate identities, their images projected on television screens nationwide. The Control Board's 1963 Report noted:

A group of stations which had formerly been known as the Channel 9 Network, comprising stations TCN Sydney, GTV Melbourne, QTQ Brisbane and NWS Adelaide had changed its name to the 'National Television Network' and that stations WIN Wollongong and NBN Newcastle had been included in the network.

and:

In a letter dated 3 December 1963, the General Manager of Amalgamated Television Services Pty Ltd, licensee of commercial television station ATN Sydney, advised the Board that as from 1 January 1964, the name of the group of stations formerly known as 'Network 7' (ATN Sydney, HSV Melbourne, BTQ Brisbane and ADS Adelaide) would be changed to the 'Australian Television Network.'⁴⁹

For the 1963-4 financial year, the Control Board reported that the aggregate net profit of commercial television stations was £2,996,777 which represented a doubling of the figure for 1959-60. Aggregate gross earnings from advertising amounted to £11,059,625, up from over £6 million in 1959-

⁴⁸ ABCB Sixteenth Annual Report, 1963-4, Government Printer, Canberra, 1964, para. 104. *This report, printed after the government's successful return at the 1963 election, was carefully worded so as not to offend the minister.*

⁴⁹ *ibid.*, paras. 135 and 136. On 29 June 1964, ATN acquired the interests of the UK based company Associated Television (Aust.) Ltd. The assets included shares in CTC Canberra, RTN Richmond/Tweed, CBN Central Tablelands, WIN Wollongong, RVN Riverina, BTV Ballarat, QTQ Brisbane and NWS Adelaide. *ibid* para. 99.

60. ⁵⁰ With every indication that the networks would continue to be profitable, the Minister decided to invite applications for further commercial licences in Sydney, Melbourne, Brisbane, Adelaide and Perth on 8 March 1962. In reaching the decision the Government took the view that there:

was room in each of the cities for another commercial station and that the greater competition which would result would benefit not only the residents of the areas concerned but the ultimate development of the television services of the Commonwealth as a whole ⁵¹

The Control Board, taking its cue from Davidson's announcement, revised the selection criteria for the third capital city licences. It considered that the increased competition between the networks would improve programme quality, and that a third commercial station could be a means of introducing some variety to the uniform schedules offered by existing stations. ⁵² A comparison of the Board's revised with its previous selection criteria reveals an increased emphasis on the financial stability and effective management skills of applicants and less on their high-mindedness. The changes reflected an acknowledgement of the importance of the market and of the Government's lack of effective control over licensee's subsequent share transactions. Despite the conviction that the new stations would be profitable, the Board was aware that the terms upon which the newcomers would be forced to compete would be stiff:

It seems clear that the Sydney and Melbourne 'markets' are sufficient to enable an additional commercial television station to operate profitably, but this would be the result only if the new station were competently and

⁵⁰ ABCB Sixteenth Annual Report, para. 96.

⁵¹ ABCB Fourteenth Annual Report 1961-2, Government Printer Canberra 1962 para. 80.

⁵² ABCB, *Report and Recommendations to the Postmaster-General on Applications for a licence for a commercial television station in the Sydney area and in the Melbourne area*, Government Printer, Canberra, 1963, paras. 26 and 27.

efficiently operated and offered programmes which attracted audiences and sponsors or advertisers.⁵³

The hearings were held between 7 August and 13 December 1962. There was considerable interest from a wide cross section of the business community and applicants were not restricted to media interests. For the Sydney licence the applicants were: Channel Ten Sydney Ltd (Rupert Murdoch's Mirror Newspapers and Cumberland Newspapers); Sydney Television Broadcasting Corporation Ltd (Amalgamated Holdings Ltd, Hoyts Theatres, The Rank Organization UK Ltd); United Telecasters Sydney Ltd (AWA, CSR, Email); Commercial Television Enterprises Ltd (Ampol, R.W. Miller & Co Ltd, Mutual Life & Citizens Assurance Company Ltd, E.M.I. Australia Ltd, W.D. & H.O. Wills Ltd); Manufacturers Television Ltd (Bonds Industries Ltd, J. Fielding and Co Ltd); Television Era Ltd (Eric Anderson Ltd, Davis Gelatine Ltd, Waltons Ltd); Trustees on behalf of Independent Sydney Telecasters Ltd (Electronic Industries, Pye Ltd); Capital Telecasters Ltd (Standard Telephones and Cables, Snider and Dean Ltd, Associated Rural Industries Ltd).

For the Melbourne licence the applicants were: Australian Telecasters Ltd (a conglomerate consisting of 26 manufacturers of consumer products broadly representative of leading national advertisers, together with Crawford Productions Ltd), T.V. Victoria Ltd (William Noall Nominees Ltd, R.P. Mitchell, Wallace H. Smith & Company); Universal Telecasters Ltd (another conglomerate including, Associated Broadcasting Services Ltd, Australian Mutual Provident Society, A.G. Healing Ltd, Tivoli Circuit Ltd, H.C. Sleigh Ltd, Val Morgan & Sons Ltd, Cox Bros. Ltd, Myer Investments Ltd, Patersons Ltd); Community Television Ltd (ALP and Liberal parties, RSL, Electronic Industries, Pye Ltd, Sir Arthur Warner); Educational and Cultural Television Ltd (Mayson Nominees, A.E. Duldig, H.D. Stewart,

⁵³ *ibid.*, para. 31.

W.M. Marriner); Austarama Television Ltd (Ansett Transport Industries Ltd).

The applicant companies in both cities included groups of industries who were leading national advertisers. A publication issued by the Federation of Australian Commercial Television Stations (FACTS), *TV Basics* in 1965, for example, provided a table showing advertising expenditure by industry group. Heading the list of leading advertisers in order of amount spent, were: manufacturers of foodstuffs, tobacco products, household cleaners, petrol and oil, retailers, manufacturers of women's toiletries, electrical goods, household furniture and fittings, menswear, cars and trucks, drapery, finance and insurance, dental preparations and toilet soap, liquor and amusements. These industries spent about £11 million out of a total expenditure of £14,319,637 on television advertising in 1965. Clearly, advertisers saw the issue of third capital city licences as a chance to increase pressure on existing networks to keep advertising rates as low as possible.

Before the inquiry began, the Control Board received submissions from TCN Sydney and GTV Melbourne, controlled by Sir Frank Packer's⁵⁴ Television Corporation Ltd, requesting that the Board's decision on the Sydney and Melbourne licences be deferred until the outcome of the Brisbane, Adelaide and Perth hearings was known. Packer was concerned that the third capital city licences would upset the existing balance of network competition. A. Larkins QC, for Television Corporation, submitted that applications for all four capitals should be heard concurrently so that the third licensee in Sydney or Melbourne would avoid the 'hazards of finding themselves in the possible situation of being the only two metropolitan licensees outside a four city network.'⁵⁵ Murdoch admitted, while giving evidence in support of Channel Ten Sydney Ltd's application,

⁵⁴ Packer was knighted in 1959.

⁵⁵ *ibid.*, Appendix E, p.115.

that his company had entered into a prior arrangement with a Melbourne applicant, Universal Telecasters Ltd, for programme buying purposes. Like Packer, Murdoch feared the prospect of being without network affiliations in major markets and in the process of outlining his apprehensions to the Control Board, he provided telling insights into not only his own motives as a proprietor, but also the operation of network imperatives:

Some months ago, during the formation of Channel Ten Sydney Ltd, I realised that a potential danger to the future of the third licensee in Sydney would be the granting of a licence in Melbourne to any company which might later choose to buy programs in association with ATN Sydney, which is controlled by the Fairfax interests. This would leave the new licensee in Sydney with no alternative other than to work with the Melbourne 'Herald' stations in Melbourne, Adelaide and Brisbane. The third licensee in Sydney would then have one station to three held by its partners and thereby lose real control of its program policy and make impossible the attainment of its objectives.⁵⁶

In the event Packer's submissions were ignored by the Board on the ground that it could not show any real interest in the proceedings. The Sydney licence was granted to the AWA, CSR, Email sponsored United Telecasters Sydney, and the Melbourne licence to Ansett Transport Industries' Austarama Television Ltd. The successful applicants were awarded licences, according to the Board's Report, 'in particular by reason of the competence, ability and character of the sponsor companies, directors and management, and the manner in which the application was prepared and presented.'⁵⁷

In placing a determining value on the financial and management capabilities of applicants, the Control Board rejected what the Opposition and some educational and religious interest groups believed to be an opportunity to introduce alternative programme strategies into commercial television. The Board's Report acknowledged the view of Professor Zelman Cowen who admitted that the application of Educational and Cultural Television Ltd, for a Melbourne licence 'had its genesis as a protest against

⁵⁶ *SMH*, 8 August 1962.

⁵⁷ ABCB Report, Sydney and Melbourne licences, para. 82.

the performance and standards of commercial television as we see them in this city.' The Board considered the proposals of this company and of T.V. Victoria Ltd (whose application was framed in similar terms):

to represent significant, if minority, opinions in the community...it has appeared to us, however, to be our duty to consider all applications strictly in the context of commercial operation...in competition with established stations...we have borne in mind the desirability of applying common standards to the programmes of all commercial television stations.⁵⁸

The Control Board was aware by 1962 of the level of pressure for reforms to commercial television programming but it was not convinced that most people supported such reform. As a measure of the public's response to programming, ratings were a clumsy indicators; but while the market continued to rely upon them and while the Board's own research had provided no viable alternatives,^{*} the verdict of the ratings continued to determine programming policies.

The Board explained its refusal to intervene positively to bolster programme standards with the argument that commercial television reflected the democratic and pluralist nature of contemporary culture and that sectional criticism would be out of tune with the demands of the market. In the Board's view:

The pattern, balance, and nature of all programmes...cannot remain fixed, and will be subject to a number of external influences. These influences are inseparable from a contemporary commercial television service, which must be dependent on the goodwill and preference of the public for its programmes if it is to survive. The evidence of audience measurement surveys...indicates a widespread public interest in programmes of the type which most applicants regard as un-Australian in nature.⁵⁹

⁵⁸ *ibid.*, para. 52. It continued: 'We do not reject the views put to us that in some respects commercial television programmes are inadequate or lacking in positive qualities. We have taken these views into account in arriving at our recommendations and have considered in particular the quality and the realism of the programme proposals of applicants.' para. 52.

⁵⁹ *ibid.*, p. 89.

* For an account of the Board's research initiatives
See pp. 182-3

The hearings into the third commercial licences for Brisbane and Adelaide and for the second Perth licence were held before the Control Board in Melbourne during May and September 1963, after protests by existing licensees in Brisbane and Adelaide⁶⁰ that the granting of additional licences in these cities would erode the profitability of these limited markets so that it would be 'impossible for them to maintain their present standards of programmes.' Unimpressed by these threats, the Board rejected the licensees' submissions on the grounds that it had a duty to approve one of the existing applicants unless this would necessarily result in the financial failure of the third station. 'We must say we are not so satisfied.'⁶¹

The successful applicants for the three new stations were: in Brisbane, Universal Telecasters Qld Ltd , in Adelaide, South Australian Telecasters Ltd , and in Perth, Swan Television Ltd. The granting of these licences effectively completed the formation of a third commercial television network in Australia. Although the Ansett owned *Panorama Television Ltd* was denied a Brisbane licence, Ansett held 4.5 percent of *Swan Television Ltd* , Perth and 5 percent of the Adelaide licensee, *South Australian Telecasters* . Programme sharing agreements were concluded with both companies with the result that Ansett obtained programme outlets in all capital city markets except Brisbane. The Control Board's recommendations were approved by the Minister on 27 February 1964.

On 1 April 1964 the shares of the successful Brisbane licensee, Universal Telecasters were listed on the Brisbane stock exchange. The next day it was reported that a 'large buyer for the shares - reported to be Ansett interests - have now acquired a substantial percentage of the two million issued

⁶⁰ Licences in Brisbane were controlled by John Fairfax & Sons Ltd and the Herald & Weekly Times Ltd, and licences in Adelaide were controlled by Rupert Murdoch's News Ltd and the Herald and Weekly Times Ltd.

⁶¹ ABCB, Sixteenth Annual Report, 1964 pp. 45-6.

shares.⁶² On 2 April the Postmaster-General, A.S. Hulme (Lib. Petrie), informed the Brisbane Stock Exchange that he was withholding the issue of a licence to the company while the share transaction was investigated. By 22 April Hulme confirmed that in over a week's trading, 1,097,800 shares, or about 54.8 percent of shares in Universal Telecasters Ltd had been traded. Ansett Transport Industries had bought 978,800 of these to give it a 48 percent interest in the company. Because Ansett did not technically have a controlling interest in any station other than the Melbourne's ATV 0, the share purchase did not contravene the provisions of the Broadcasting Act.⁶³ Ansett's ATV 0 opened in Melbourne on 1 August 1964. The station's General Manager, Len Mauger, said that the station would try to break into the market by offering something different:

We want to give viewers a real choice. If the other channels are running a feature film we'll go flat out to put on something different, a public affairs programme for example, at the same time. We won't hesitate to depart from the type of programme usually put on at top viewing times.⁶⁴

However, twelve months later, as a guest speaker at a forum 'The future of Australian Television,' organised by the Australian Radio Television and Screen Writers Guild, Mauger admitted that ATV had failed to honour the promise to provide 58 percent of Australian programming but that such promises made in licence applications were 'a joke' and that in any case 'ATV was no worse than any other commercial in its failure to honour its application promises.' At the same forum, R. R. Walker, the deputy General Manager of the leading advertising agency, George Patterson Ltd, characterised the Government's commercial television policy since the 1953 Royal Commission as a 'journey into fantasyland.' Such was the public perception of the failure of localism by 1965 that Walker's reference to the

⁶² *Age*, 3 April 1964.

⁶³ Ministerial press statement, 22 April 1964, Parliamentary Library Archives.

⁶⁴ *Australian*, 1 August 1964.

Control Board's 'recommendation that country channels should reflect the colour and character of the local inhabitants,' brought 'prolonged laughter' from both 'the platform' and 'the audience.'⁶⁵

On 17 December 1964, the Postmaster-General, in the face of sustained criticism of the ownership structures and programming policies of the commercial television industry, from both inside and outside Parliament, foreshadowed changes to the Broadcasting and Television Act which would reduce the permissible level of shareholding in licensee companies from 15 to 5 percent. However the provisions, enacted on 2 June 1965, were not retrospective. They served to entrench the existing network structure of the industry.

⁶⁵ *Canberra Times*, 26 July 1965. The meeting, Chaired by Professor Zelman Cowen, included speakers from all sectors of the industry, including Sir Charles Moses, Senator S.H. Cohen (formerly on the Vincent Committee), former Senator G. Hannan, and R.R. Walker.

Chapter 7.

Bringing you the best in the world of entertainment

Arriving home on 5 February 1957 after a television fact-finding tour through Britain, Europe and the United States, ABC Chairman, Sir Richard Boyer told journalists that in his opinion the Australian dual system, offered the best hopes for realizing the potentialities of the medium. Television was beginning in Australia 'with a clean sheet,' and we could benefit from overseas experience to 'meet the highest world standards.' Australia had the chance to determine the appropriate degree of regulation for the television industry:

whether freedom, with a capital F, for the telecaster, such as exists in America, as to the kind of programme he offers the public, is better than the greater restraint under which the telecaster operates under other systems...I believe that in Australia...a rationale of freedom had been worked out which offers good hope for ultimate results.¹

Boyer's confidence was not shared by those groups and individuals who, at least since the 1953 Royal Commission, had either wanted to delay the introduction of television further, to restrict it to national stations only, or who wanted a wider range of safeguards and controls on everything from programming and advertising, to the conditions relating to ownership and control of licences.

Fuelling speculation about the possible deleterious effects of television in Australia, from the mid-fifties, was a considerable body of material published in Britain and the United States, by educators, social scientists, and psychiatrists. A survey of the leading overseas research trends was published in paragraphs 126-128 of the Royal Commission's Report. After listing the principal research findings on the social and psychological effects of television, from pre-1949 to 1953, the Report concluded that it was too

1 *SMH* 5 February 1957.

early to make firm generalizations about effects, and that 'no real evidence can be available until the experience has covered more than twenty years.'² On the other hand, the publication in 1954 by a New York psychiatrist, Dr F. Wertham, of an analysis of the effects of crime comics on American children, *Seduction of the Innocent*, increased public uneasiness about the possible effects of television and certainly influenced public criticism of violent crime shows.³

Although research findings about television's social or psychological effects were inconclusive, there was general agreement about the power of the medium and its rapid acceptance 'as part of the pattern of life' in Britain and the United States, and an accumulation of hard evidence about television's 'displacement' of alternative pastimes such as reading, radio listening, and cinema attendance.⁴ This perception led sections of the community traditionally concerned with family welfare, education, early childhood development and religion, that is to say, those concerned with the formal transmission of traditional social values and knowledge, to demand the power to monitor and influence programme output.⁵

In recognition of 'the impact that television will have on cultural and moral values generally,'⁶ the Royal Commission devoted considerable time to discussing special safeguards for the protection of children, methods of

2 Report of the Royal Commission on Television, Government Printer, Canberra, 1954, para. 131.

3 F. Wertham, *Seduction of the Innocent*, NY, 1954. A discussion of the influence of Wertham's work is given in Lowery and De Fleur, *Milestones in Mass Communication Research*, Ch. 9 passim.

4 Royal Commission Report, para. 128.

5 In addition to specific lists of witnesses advocating limitations on hours, advertising restrictions, or the deferral of commercial television altogether, which are provided at appropriate places in the text, the Royal Commission Report also contains an alphabetical list of witnesses and the organizations which they represented, at Appendix D, p. 113.

6 R.C. Report, para. 391.

promoting 'positive' programme standards, and providing free time for religious denominations on commercial television. Witnesses who made submissions about television and children, either warning of its potential dangers or calling for strict regulation of its use, included Religious organizations: the Roman Catholic and Presbyterian Churches, the Australian Council for the World Council of Churches, United Churches Social Reform Board, and the Australian Religious Film Society. The educational groups included the Australian Council of School Organizations, State School Teachers' Union of WA, State School Committees Association of Victoria, NSW Teachers' Federation, Education Department of Tasmania, New Education Fellowship Australian Federal Council, Child Welfare Advisory Council of NSW, Victorian Council for Children's Films and Television. There were women's organizations as well: the Queensland Women's Christian Temperance Union, the National Council of Women of Australia, and the Women's Service Guilds of Western Australia.⁷

While the Royal Commission Report was being written up, its Chairman, Professor G.W. Paton, was in Britain, where a fierce public debate about the impact of commercial television on the moral and cultural climate of society erupted when the Conservative Government foreshadowed its intention to establish additional television services as an alternative to the BBC. During his meetings with leading officials there, including Lord Beveridge, (former Chairman of the 1951 Committee of inquiry into the BBC), and Sir Alexander Cadogan (Chairman of the BBC), Paton was made aware of the opinions of those who opposed the ending of the BBC monopoly of broadcasting.⁸

⁷ *ibid.*, para. 168.

⁸ Beveridge to Paton, 12 May 1953; Cadogan to Paton, 5 June 1953; Paton Papers, 1/1/31, 33.

In Britain, formidable forces assembled in favour of preserving the *status quo* of BBC monopoly and they were broadly similar to those groups lobbying against commercial television in Australia. Membership of the National Television Council, set up on 18 June 1953, to oppose a commercial service, included as well as Opposition MPs, and distinguished intellectuals, 'church leaders, the Vice-Chancellors of universities and leading representatives of teachers' organizations.'⁹ Much of the argument of this public debate, according to the historian of British broadcasting, Asa Briggs, centred on 'commercialism and its present and possible influence on social and cultural life.' There was a pervasive view among critics of commercial television that there was a qualitative difference 'even in popular entertainment' between that which was promoted 'by some sense of public service' and that which was promoted by the 'desire for material gain,' which they believed to be 'intrinsically debasing.'¹⁰

Although the Government's dual television policy entailed the rejection of this position in Australia, echoes of the anxiety felt by British educators and churchmen, and by their Australian counterparts, were present in the Royal Commission Report which incorporated the following principles in its regulatory conditions:

Television is so effective as a medium that a wrong use of it would do tremendous harm, especially in the early stages before any local standard of taste has been set.

and:

⁹ Briggs, A., *History of Broadcasting*, Vol. IV, p.904. Briggs quotes from a letter sent to *The Times* on 1 July 1953, signed by 14 Vice-Chancellors, in which they warned that if television was placed on 'a commercial basis' the 'power of television for good' would be lost, 'never to be recovered.' *ibid.* Lord Beveridge was a foundation member of the Council.

¹⁰ *ibid.*, pp.909-11.

Television enters the home and all ages are exposed to it: where children are concerned, the community has always been prepared to accept regulation more easily than where the problem relates to adults only.¹¹

The Control Board's Programme Standards, incorporated in the Broadcasting and Television Act 1956, and published as Appendix D to its Eighth Annual Report 1956, reflected these principles through the imposition of categories of specific controls on children's programming and in the provision of free time for religious programmes. The Introduction to the Standards stated the Board's intention to 'ensure that television is used constructively for the welfare of the community.' However these views did not result in the framing of any severe restraints on holders of commercial television licences. As we have seen in the analysis of the Control Board's Standards in Chapter 3, apart from proscribing gross breaches of community moral standards or taste, there was little to compel licensees to achieve the positive programme values recommended.

In response to manifest public sensitivities about the content and purpose of religious programmes and programmes for children, the Royal Commission recommended the appointment of specialist advisory committees to provide the Control Board with a continuing evaluation of commercial television programming in these areas.

In its 1955 Report to the Postmaster-General on the Sydney and Melbourne licence hearings, the Control Board recommended that a programme of social research 'into the social, cultural and educational effects of television, with particular reference to those sections of the community most likely to be affected,' should be initiated.¹² A Research Advisory Committee was set up following the grant of licences in 1955 with representatives from the Control Board the ABC, the Commonwealth Office of Education, the Australian Council for Educational Research, the Social Science Research

11 Royal Commission Report, para. 160.

12 AA CRS A 4906, Vol 12, Control Board to Minister, 14 March 1955, p. 33

Also see ABCB, Eighth Annual Report, 1956, para. 125.

Council of Australia, the Universities of Sydney and Melbourne, the NSW University of Technology, and the Australian National University.¹³ Following overseas research examples, the first task defined by the Committee was to investigate the existing patterns of domestic social and leisure activities in Sydney and Melbourne before commencement of television transmission in order to trace the likely social effects of the new medium. A programme of research was outlined in a Control Board memorandum of April 1956, in which the Board approved a grant of £1,450 to the Universities of Sydney, Melbourne, and the NSW University of Technology to survey the 'leisure activities and interests' of thirteen to sixteen year old adolescents and ten year old children. Surveys over three consecutive years, using the same subjects were planned, to measure any behavioural changes resulting from the introduction of television. The Committee was also to arrange investigations into the responses of adolescents and children to various common programme forms, for example 'westerns' and 'crime-drama.'¹⁴

While the Research Advisory Committee focused on the long term effects of television on children and adolescents, another Committee, The Advisory Committee on Children's Television Programmes, was set up by the Control Board, in November 1956, under provisions of Section 29 of the Broadcasting and Television Act. This was a watchdog committee designed

13 *ibid.* Individual members of the Research Advisory Committee in 1956 were: W.C. Radford, J.A. Keats (both of the Aust. Council for Educational Research), G.S. Browne, E.R. Wyeth (University of Melbourne, Faculty of Education), W.F. Connell, W.J. Campbell (University of Sydney, Faculty of Education), O.E. Oeser (University of Melbourne, Department of Psychology, and Social Science Research Council of Australia), J.F. Clark (NSW University of Technology, Department of Applied Psychology), L.C. Webb (Australian National University), para. 126.

14 AA MP 1170/4 TC 2/1 pt 1, ABCB 'Pre-Television Social Survey', April 1956, Also, ABCB, Tenth Annual Report, 1958 para. 143.

to ensure that the spirit as well as the letter of the Board's television Standards was being followed, and to suggest improvements to current practice. Specifically, the functions of the Committee were to: 'express to the Board its reactions to programmes designed for children, and to programmes to which children may reasonably have access, and to suggest modifications (both negative and positive) which could lead to the better use of the medium.'¹⁵

Although members all had a 'professional interest' in the fields of child welfare or education, they were also chosen because the Board believed them to be broadly 'representative of a responsible section of public opinion.'¹⁶ While granting the Committee a certain degree of 'expert' and 'representative' status, however, the Board determined to retain control of its deliberations and reserved the right to direct the Committee's attention to those areas which:

from its [the Board's] long experience of radio and its knowledge of television to date, expects to cause most concern. It may be assumed that the Board, and its officers, are in a position to give some guidance to such a Committee on this aspect of the matter.

Specifically, the Committee was urged to look into:

[the] suitability of children's sessions as such, including the choice of compere, the age ranges catered for, the constructive or 'educational' content of sessions (as distinct from their entertainment value), evidence of the sessions being supervised by an expert in child training...[and] an assessment of whether these sessions add to a child's appreciation of the world about him.

15 AA MP 1170/4 TC 4/3 pt 1 ABCB, 'Advisory Committee on Children's Television Programmes: Some Notes for the Committee', April 1957.

16 *ibid.* Foundation members of the Committee were: W. Trudinger (primary school headmaster, Victoria), C. M. Blackshield, (primary school head master, NSW), W.H. Frederick (Professor of Education, University of Melbourne), P. Loftus (P.R. officer, Victorian Association of Youth Clubs), M. Matheson (founder of the Children's Library and Crafts Movement, Sydney), E.I. Shann (National Council of Women, Victoria).

This statement indicates the Board's intention that social and educational goals should be objectives of the regulatory process. Television programmes for children were clearly supposed to have purposes other than that of mere entertainment; they should assist child development in a constructive way. Committee members were also told to examine the incidence in programmes of

undesirable acts of violence or deceit, unfaithful presentation of real life, absence of constructive aids to better use of leisure hours, [or] hindrance to the training received in the home and the school

They were also asked to record the occurrence on imported shows of

undesirable side-effects such as over use of slang, different pronunciation and different social values.

In general terms the Board expected the Committee to

point the way to a more enlightened use of the medium by licensees and encourage the television audience to insist that, particularly in the case of children, television should be used to add to our information about, and enjoyment of, the world around us.¹⁷

Finally, the Committee was referred to paragraph 10 of the Programme Standards which stated that children's television carried 'special responsibilities' because of the 'overriding consideration that children are very vulnerable to the impact of television.'¹⁸

The Advisory Committee on Children's Television Programmes held its first meeting on 7 March 1957. Proceedings were introduced by R. G. Osborne who advised the Committee that it should not hesitate to criticise commercial programmes or even the Board's own policy 'if it thinks it necessary.' On the other hand, in an attempt to exercise some control over

17 op.cit. 'Notes for the Committee', p. 2 .

18 ibid. Committee members were expected to gather evidence by watching programmes on sets installed in their homes by the Control Board. A list of Board and Committee members who watched television at the Board's expense from 1957, is in AA MP 1170/4 BE 5/5 pt 1 ABCB Minute, 25 May 1960.

what were obviously to be politically sensitive deliberations, he told members that they should refrain from making individual statements to the press 'which might be attributed to their membership of the Committee.'¹⁹ In an attempt to prevent their discussions from being completely open-ended, Osborne also cautioned Committee members against placing 'too much reliance on a review of the current literature' about the social effects of television, of which there was already an enormous quantity coming from the United States and Britain, because the Board believed it was 'more important to have the advice of a group of competent, sensible and straightforward Australians on our own practical problems.'²⁰ Already aware 'from long experience of radio and knowledge of television to date,'²¹ of the issues likely to be a source of conflict between licensees and the Board, Osborne suggested that members accumulate a 'substantial body of factual, objective material, as a basis for its judgements,' and reminded them of the 'weakness of the subjective approach based on impressions gained from individual viewing.'²² Despite this advice, committee members used the first meeting to give vent to their feelings about existing programmes. Professor W.H. Frederick said that there was 'too little spontaneity' and 'insufficient child participation' in Melbourne children's shows, and that 'there was a tendency for children to accept uncritically American modes of speech.' M. Matheson said that if the Sydney children's sessions were directed by 'child experts as the Board recommended in its Programme Standards, these experts [were] incompetent.' P. Loftus thought that children were being brought into advertising...more than [was] desirable...children should not be used to

19 AA MP 1170/4, TC 4/3 pt 1, ABCB, Advisory Committee on Children's Television Programmes: Minutes of first meeting, 7 March 1957.

20 *ibid.*

21 ABCB 'Notes for the Committee' April 1957.

22 ABCB Minutes of First Meeting, 7 March 1957.

exploit a sponsor's product.'²³ As a first task the Committee decided to prepare a critical assessment of the Board's Programme Standards with regard to children's programmes, and to analyse 'westerns' to investigate 'the nature of the plots, the action, and their possible effects on the audience.'²⁴ What were the programs which were the subject of the Committee's scrutiny?

The children's programmes shown by the four Sydney and Melbourne commercial stations included: ATN 7's *Captain Fortune*, shown on weekdays from 5.00pm to 6.30pm, and described to the Control Board in judiciously positive terms by the station's General Manager, J.H. Oswin as

essentially a 'live' show although it contains a good proportion of filmed illustrative material, carefully selected to include those features which subtly combine education equally with entertainment - viz: Encyclopedia Britannica, Noddy Series, Hobbies Workshop, Camera Corner, readings from children's classics, special news and newsreels for children, and many available educational films covering subjects such as 'Drilling for Oil,' 'How the Weather is made,' 'How a Helicopter works,' etc.²⁵

During the remainder of the 'family viewing' period which followed to 7.30pm, ATN 7 would be showing imported telefilms such as *Cisco Kid*, *Superman*, *Steve Donovan*, and *Ramar of the Jungle*. The most Oswin could find to say to the Board about these programmes was that they 'achieve their popularity without brutality or over emphasis on improper practices, with, of course, great stress on the "crime does not pay" principle.'²⁶

The rival Sydney channel, TCN 9 offered a similar live magazine programme, *Desmond Tester and the Channel Ninepins*, (compered by Desmond Tester), and followed this, in early 1957, with its *Mickey Mouse Club*, a Disney Studios production imported from the United States.

23 *ibid.*

24 *ibid.*

25 AA MP 1170/4 TL 1/1 pt1 Oswin to Osborne, 12 November 1956.

26 *ibid.*

In Melbourne, HSV 7 scheduled the *Happy Show* (compered by Happy Hammond) on weeknights, and GTV 9 followed suit with the *Tarax Show* compered by Geoff Corke ('King Corky'), and written and co-produced by the ventriloquist Ron Blaskett, who appeared with his puppet 'Gerry Gee.'

From the outset, industry representatives were hostile to the idea of any third party intervening in the relationship of mutual trust and co-operation developing between themselves and the Board. At a meeting on 23 January 1956, between licensees and the Control Board, to discuss the Standards, the Herald and Weekly Times' representative, H. Pacini said that the need for such committees was 'not clear' and 'if licensees maintained close contact with the Board, special committees were unnecessary.' When it was evident that the Board was determined to introduce them however, licensees insisted on being represented at their meetings which gradually became a forum for the airing of opposing viewpoints.²⁷

After receiving the Committee's first Report in 1957, the commercial stations were quick to question the Committee's assumptions about legitimate content and objectives of children's programming. In a letter to the Board's Secretary O'Kelly, on 19 November 1957, after receiving a copy of the Committee's first report, TCN's Chief Executive, Ken Hall²⁸ insisted that educational values should not replace entertainment ones in children's programming:

the primary design of a children's, or any other, program must be to capture the attention of the viewer. To hold his attention he must be entertained. If a child is to be interested in a cultural or educational subject it must be presented in such a way that the child does not feel that he is back in the

27AA MP 1170/4 TS 3/3 pt1ABCB 'Conference with Licensees of Commercial Television Stations,' 23 January 1956, p. 3.

28 Ken Hall was a leading Australian film producer/director during the 1930's when he made the commercially successful *Dad and Dave* series, and during the 1940's he produced the popular *Cinesound News*. See Ken G. Hall, *Australian Film; the Inside Story*, Sydney 1980.

class room again. This, we feel, is being most capably done by Mr Desmond Tester.

Commenting on the Advisory Committee's insistence that programmes be supervised by a person qualified in education or childhood development, as recommended in the Board's Standards, Hall wrote:

What are the qualifications of such a person? A University degree would not necessarily mean that its holder could capture and hold the attention of 100,000 children each evening whether he be in front of the camera or, as suggested, is responsible for planning what is said and done by the man or woman who IS in front of the camera.

Hall also defended *The Mickey Mouse Club* from the Committee's general condemnation of imported film programmes as 'characterized by the use of poor quality American speech,' In *The Mickey Mouse Club*, Hall wrote:

all the children are well spoken, well behaved and intelligent even though they do speak with an American accent - which is understood and completely accepted by the Australian child viewer.²⁹

In their Second Report for the Board, the Children's Television Advisory Committee was most critical of these local live programmes. TCN's Desmond Tester, for example, was criticised for being 'often guilty of ungrammatical speech...and of awarding prizes in spelling quizzes to children who have submitted a mis-spelt answer.' ATN's Captain Fortune (Alan Herbert)

is also guilty of frequent ungrammatical speech, and of insincerity in awarding prizes for patently incorrect answers. These programmes also use child members of the audience for the advertising of Pepsi-Cola.³⁰

Criticism of the mediocrity or exploitative aspects of local children's programmes was soon rendered somewhat gratuitous as the lifting of import quotas on film in 1957 brought a flood of low-cost American and British 'telefilm' series to Australian TV screens. By the time the

29 Hall to O'Kelly, 19 November 1957.

30 AA MP1170/4 TC 4/3 pt 1 Children's Television Advisory Committee 'Notes on Reasons underlying the criticisms.' (to the Second Report), nd. (1959).

Committee presented its Second Report to the Control Board on 20 July 1959, its Chairman, Professor Frederick noted that programming patterns had undergone significant changes with the locally produced programmes being replaced by imported film series, and with 'G' rated ('not unsuitable for children up to 15 years') action adventure and crime programmes being shown in the 'family viewing' time slot of 6.00-7.30 pm on weekdays. The Committee quoted as 'a specific example of poor judgement' ATN 7's scheduling of the following programmes on 27 January 1959:

6.30pm - Mr District Attorney (few episodes of which have been classified G)
7.00pm - Brave Eagle
7.30pm - Rifleman (an episode concerning a vice lord who horsewhips his servants and murders three prostitutes who threaten to give evidence against him).
8.00pm - Behind Closed Doors
8.30pm - Highway Patrol

The Committee commented that they were 'very concerned that children subjected to a cumulative diet of violence, crime, and suspense such as that represented in the above sequence may suffer harmful effects from watching television programs,' and they referred to current overseas research in support of their concerns:

The Nuffield Report draws a distinction between fear and enjoyable suspense and we feel that licensees should take this into account when arranging their early-evening programmes.³¹

The Committee's conclusions about the likely impact of violence, crime and suspense programmes together with the Board's assumption that children were particularly vulnerable to the effects of exposure to television were to be challenged before long, from those very sources from which both might have anticipated some support. Research data accumulating in both Australia and overseas led to a shift in the focus of interest, by 1962, from media effects on audiences to the way in which viewers use what they chose to see and hear.

³¹ *ibid.* p. 2.

Two major overseas research reports and one Australian study were published between 1958 and 1962 which challenged the dominance of the 'direct effects' or 'magic bullet' model of media effects research, and its replacement by the 'uses and gratifications' model. The first of these was the Nuffield Report, published in 1958 as *Television and the Child*.³² This was a British study carried out by researchers from the BBC Audience Research Department and the London School of Economics, and sponsored by the Nuffield Foundation. It was based on surveys of the leisure patterns of adolescent and pre-adolescent school children both before and after they had been exposed to television. The overriding conclusions of the study were that it was impossible to generalise about the direct effects of television programming on children, and that it was only possible to explore the uses made of television by children of different age groups, intelligence levels, or social backgrounds (defined in the study by the occupational/educational levels of their parents).

An American research project which complemented the findings of the Nuffield study was published in 1961 as *Television in the Lives of our Children*.³³ This was a Stanford University study of children's viewing patterns based on interviews with school children in major cities and small towns in the United States and Canada. Again, the researchers found that television's 'effects' depended on what individual children brought to the viewing of programmes.³⁴

³² Himmelweit, H.T., Oppenheim, A.N., and Vince, P., *Television and the Child*, Oxford, 1958.

³³ Schramm, W., Lyle, J., and Parker, E.B., *Television in the Lives of Our Children*, Stanford, 1961.

³⁴ 'Something in their lives makes them reach out for a particular experience on television. This experience then enters into their lives, and has to make its way amidst the stored experience, the codified values, the social relationships and the immediately urgent needs that are already a part of those lives. As a result something happens...something is

Finally an Australian study of Sydney children's viewing habits surveyed between 1956 and 1959, carried out by W.J. Campbell and R. Keogh of Sydney University, with assistance from the Control Board's Programme Services Division, entitled *Television and the Australian Adolescent* was published in 1962.³⁵ Its authors agreed with their overseas colleagues in finding that 'viewers...perceive and retain mainly those elements which are congruent with their own personalities.'³⁶ Campbell and Keogh also referred to television's role as an agent of changing social values in their comparative survey of the leisure patterns of Sydney children and adolescents. They found among television viewers that preferred 'ego ideals' or role models tended to be chosen not so much from among people personally known to them but from among sporting heroes and personalities who were, 'as a result of press, television and radio, familiar personalities to the adolescents of Sydney.'³⁷ In Sydney (and Melbourne) in 1962, such personalities were likely to be among those appearing on the ten most popular programmes with the adolescent audience which Campbell and Keogh cited as:

discarded, something is stored away, perhaps some overt behaviour occurs. This is the 'effect' of television'. *ibid.*, Schramm, Lyle and Parker, p. 2.

³⁵ Campbell, W.J., and Keogh, R., *Television and the Australian Adolescent*, Sydney, 1962.

³⁶ *ibid.*, p. 50. They recognized that television programmes 'like films, newspapers, and radio, are directed to a broad band of average consumers...most children tend to seek out experiences which are at the threshold of their capabilities, the more gifted will look for stimulation elsewhere.' p. 31.

³⁷ *ibid.*, p. 109.

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|----------------------------|--------------------------------|
| 1. <i>The Untouchables</i> | 2. <i>Pick - a - box</i> |
| 3. <i>Perry Mason</i> | 4. <i>Perry Como Show</i> |
| 5. <i>Bobby Limb Show</i> | 6. <i>77 Sunset Strip</i> |
| 7. <i>Bonanza</i> | 8. <i>I Love Lucy</i> |
| 9. <i>Wagon Train</i> | 10. <i>Desilu Playhouse</i> 38 |

Of these, only *Pick-a-box* and *The Bobby Limb Show* were made locally, and none of these programmes were specifically 'children's programmes' but were mostly imported film of the crime or adventure type shown in the afternoon or in the 'family viewing' period which extended from 6.00 - 7.30pm on week nights or in the adjacent prime time adult viewing period. Campbell and Keogh's findings merely expressed what the programme schedulers in commercial television stations already knew, that locally produced children's shows would not stand up in the ratings against imported adventure series, westerns, and cartoons. As a result, by 1959 such shows occupied all but the half hour minimum of the family viewing period.

The Children's Television Committee's Second Report detailed scheduling changes to ATN 7's schedule, effective from 8 June 1959, which reflected this situation:

Monday - Friday 4.30pm	<i>Captain Fortune</i> (as host to a programme consisting mainly of film - adventure serial and cartoon)
5.00pm	Adventure film or cartoon (including such series as <i>Waterfront</i> and <i>Frontier Doctor</i>)
5.25pm	<i>Crusader Rabbit</i>
5.30pm	<i>Teen Time</i> - compered by Keith Walshe
6.00pm	Film - adventure, thriller, or general ³⁹

38 *ibid.* p. 25.

³⁹ *op. cit.*, Children's Television Advisory Committee, 'Notes on Reasons,' 1959, p. 3.

There was, the Report noted, 'little left in the *Captain Fortune* programmes that could be described as having any constructive value.' Keith Walshe's *Teen Time* was 'a deplorable and debasing antithesis of all that the Television Programme Standards were designed to promote.' Although the Committee admitted that it was by now 'convinced that the function of the commercial stations is to entertain children, and not to instruct them,' it balked at these displays of 'gum chewing' and 'uncontrolled pushing and crowding' which in their view ignored the spirit of the existing standards.⁴⁰ A local programme producer, Artransa Ltd's General Manager, R. Lord⁴¹ had warned the Committee as early as 12 February 1959 that competitive scheduling of programmes would inevitably lead to the replacement of locally produced specialist children's sessions by imported film. Lord asked the Control Board to intervene to prevent further ratings pressure on children's programs by imposing 'quite rigid restrictions on the material presented between 4.30pm and 6.45pm.' On the other hand, he contended that the current time restrictions which designated the period from 7.00pm to 7.30pm as the family viewing period, were 'unrealistic and impossible to enforce, as the period from 7.00-7.30 pm was vital to commercial stations for the building up of their night-time audience.' In exchange for ensuring that programs presented between 4.30 and 6.45 'were completely suitable for children' he argued that 'stations should be allowed more flexibility after that time' in recognition of the fact that station managers were presenting news at 6.45 pm and allowing this to form a 'natural break between the children's session and the more adult programmes which follow.'⁴²

⁴⁰ *ibid*, p. 4.

⁴¹ Like ATN 7's J. Oswin, R. Lord later became a senior officer of the Department of Communications under the Whitlam Government.

⁴² AA MP1170/4 TC 4/3 pt1, Children's Television Committee, Minutes of Sixth Meeting, 12 - 13 February 1959, p. 2.

The Board had first discussed this issue at a meeting in February 1956, when the programme standards were being drafted. The programme standards stipulated that programmes shown between 5.00pm and 7.30pm should be 'completely suitable for children', that is, that no programmes classified by the Chief Censor as 'unsuitable for children' should be shown. Station managers were dissatisfied with the original provision for a 'family viewing' period from 4.00pm to 8.00pm on weekdays because its implications were ambiguous and appeared to restrict schedules to 'one long children's hour.' After negotiations with station representatives, the Board agreed to modify the requirements to allow for a half hour of specific children's programming, and 'good, wholesome family programmes which would be completely suitable for children' for the remainder of the period 5.30 - 7.00pm.⁴³

By 1959 it was clear that stations were interpreting the definition of 'good and wholesome family programmes' rather freely and were introducing more 'action-adventure' and crime shows into the 5.30-7.00pm time slot in an effort to capture market share. In a letter to R.G. Osborne, on 20 July 1959, Professor W.H. Frederick, Chairman of the Committee, wrote that children's programming had deteriorated noticeably since 1956, due to competitive scheduling:

Subsequent observation suggests that in the field of children's interests, as in other parts of the programme, each commercial television station is acutely aware of its competitors, and that, almost always, business interests outweigh the goodwill and high purpose which those who operate the stations would, we believe, wish to demonstrate if they could do so without the risk of commercial loss. ⁴⁴

In a meeting held on 28 September 1959, after receiving the Committee's second report, the Control Board decided not to be goaded into precipitous

⁴³ ABCB Minute, February 1956, 'Re-examination of Children's Programme Standards.

⁴⁴ W.H. Frederick to Osborne, 20 July 1959.

action by the report's recommendations, that 'crime detection series in a modern setting' not be shown during the family viewing period, that the production of children's programmes be supervised by persons 'with adequate and appropriate specialist qualifications.' Osborne said that station managers might reasonably, 'raise the question as to what these qualifications were and how many qualified people were available in Australia.' Darling agreed that 'a long range view should be taken by the Board in respect of persons in charge of children's television programmes.'⁴⁵

The Board was not prepared to alter either the existing film classifications or the published standards, but managers would be encouraged, in the course of informal discussions 'to ensure the inclusion of some programmes with positive values and [to] avoid an undue proportion of westerns, and crime in a modern setting.'⁴⁶

The following day in Melbourne, Osborne met managers of all the existing commercial stations to discuss standards issues, and the second report of the Children's Television Advisory Committee. As he expected, there was little common ground between the station managers and the Committee.

Osborne referred to the Committee's recommendation that stations should observe a "truce" during the children's programme period, during which stations would refrain from attempting to draw audience away from creative and instructive programmes.

Far from arguing vigorously in support of the proposal, the minutes of the meeting record that Osborne 'would not say that the Board either agreed or disagreed with this suggestion.'⁴⁷ C.B. Bednall of GTV 9 Melbourne, and TCN 7 Sydney's Ken Hall replied that the Committee's report was

⁴⁵ ABCB Minutes of Meeting , 28 September 1959.

⁴⁶ *ibid.*

⁴⁷ ABCB, Minutes of Meeting with Station Representatives, 29 September 1959.

'unrealistic' and not 'constructive' and 'questioned what benefit would be derived from the comments of managers.'⁴⁸ It was clear that managers would not be prepared to give credence to recommendations made by those without a stake in the industry itself and in recognition of this fact, Osborne suggested the formation of an industry council, to represent stations in discussions with the Board:

Broadcasting stations were represented through a central organisation, the Australian Federation of Commercial Broadcasting Stations. The Board had regular meetings with the Management Committee of the Federation, with which it discussed matters affecting the broadcasting industry as a whole.

While 'the spirit of co-operation' between the Board and the licensees in the technical field in television had been 'most gratifying,' Osborne anticipated that matters 'which would arise for discussion between the Board and the managers of television stations would be mostly in the programme field.'⁴⁹

The Australian Federation of Commercial Television Stations (FACTS), was formed in September 1960 to represent industry views in subsequent negotiations with the Board. It became an active public relations and lobbying agency on behalf of an industry whose image needed enhancing.

By 1962 it was clear that the research programmes initiated by the Control Board's Research Advisory Committee, in an effort to establish on an objective basis the effects on children of specific types of television programmes (such as westerns or crime drama), had failed to reach any definite conclusions. The Board's Twelfth and Thirteenth Annual Reports, for 1960 and 1961, gave progress reports on the research projects sponsored by the Committee. While mentioning the results of a 'limited experimental study' involving the thematic analysis of crime drama and westerns, the Board's report was sceptical of the value of generalizations derived from social science research into television, because

⁴⁸ *ibid.*

⁴⁹ *ibid.*

in this, as in many other fields of research, the greatest difficulty is to develop realistic general principles which can be applied in the Board's administration from the guarded views which are all that any research worker in this field can be expected to express.⁵⁰

The Board was wary of accepting the findings of individual researchers as a basis for the determination of policy on programme standards. Instead it opted for an empirical approach involving the close monitoring of actual programmes shown on the commercial stations to build up a profile of programme types and recording the number of transmission hours devoted to each type. The data, collected in all State capitals by the Board's programme officers, was processed by computer. In 1962 the Board negotiated a contract with IBM Australia for the monthly processing of 6,500 data items using punched cards, for a total cost of £750 per annum.⁵¹ By this means it was hoped to determine

- (a) the nature of programmes and the proportion of each type of programme;
- (b) the time of day at which each type is presented, and its duration;
- (c) whether the programme is of Australian origin.⁵²

The Control Board also used the audience measurement data supplied by commercial ratings companies. Anderson Analysis, which used television diaries distributed to about 900 households in Sydney and Melbourne, and McNair Survey, which used personal interviews with about 1400 similarly

⁵⁰ ABCB, Thirteenth Annual Report, 1961, para. 128. The report continued: 'Simple statements about the social effects of television are often likely to be misleading, because very little can be said on this subject without considerable qualification to provide for the great range of differences between individuals...This fact alone has led to much more delay than had been expected in the evaluation of the mass of material which has accumulated.'

⁵¹ AA MP 1170/4 TA/2/1 pt 1, ABCB Minute, 'Television Programme Statistics - Processing of Data', 2 April 1962. Programme data was previously 'laboriously done by hand, occupying several hundreds of man-hours.' *ibid.*

⁵² *ibid.*

distributed householders. The Board acknowledged that the surveys were essentially marketing tools, which measured relative audience size by recording the comparative popularity of programmes rather than the quality of programmes, or even the degree of audience enthusiasm for them. However, unlike the 'thematic analyses' of programme content provided by educational psychologists, or sociologists,⁵³ the Control Board wanted a means of 'measuring the industry with the industry's own yardstick'.⁵⁴

The Control Board had set about its task of programme regulation hoping that eventually, given conditions of market stability and profitability, the commercial television industry would come to accommodate the educational and cultural goals embodied in the Standards. This did not happen and the Board was gradually driven to recognize that entertainment values inevitably dominated in a mass market environment. Other educational and cultural values which appealed to limited or specialized markets would only survive in protected or subsidized market sectors, such as that serviced by the ABC. The dream that the popular taste could be 'elevated' through selective or restrictive programming, expressed in the Report of the 1953 Royal Commission, and in the language of the Board's original Standards,

⁵³ A contemporary example is R.J. Thompson's *Television Crime Drama: Its impact on children and adolescents*, Melbourne, 1959. Thompson, a former senior project officer in the Control Board's Programme Services Division, published the study under the direction of the Research Advisory Committee, with the assistance of the Department of Audio-Visual Aids at the University of Melbourne. Thompson later appeared as a witness before the Senate Committee of Inquiry into the Encouragement of Australian Production for Television, where he criticised the Board's use of commercial ratings data. He also published an article critical of the Control Board's attitude to his research findings in *Nation*, 18 May 1963.

⁵⁴ AA MP 1170/4 TA 3/1/2 p. 5, ABCB, Minute 'Audience Measurement Survey', prepared in response to a Vincent Committee request for information about the Board's use of the ratings, 1963.

had evaporated. This fact is illustrated by the terms of the drawn-out debate on whether to establish an educational television service in Australia.

This debate was effectively initiated by Sir George Paton in a letter to Davidson written on 13 April 1959. Paton was already convinced that

neither the Australian national nor the commercial television stations can adequately exploit television as a serious medium of education. Existing stations cannot give away the more valuable programme hours regularly as a permanent policy.⁵⁵

This was not only because the high commercial value of transmission time precluded its use for anything but the statutory minimum of non-profit purposes, but as Paton recognized, there was a difference between

an educational programme with an interesting quality and an entertainment programme of an educational character...An educational station cannot aim at the mass audience.⁵⁶

Paton asked that frequencies be reserved for educational purposes as had been done in the United States. However this suggestion was opposed by Sir Richard Boyer, who wanted the ABC to control educational programming.⁵⁷

Davidson referred the matter to the Control Board. Osborne advised Davidson that the reservation of any channels for educational purposes should take place in the context of an overall frequency allocation plan, and should not be made on an ad hoc basis.⁵⁸ The shortage of available VHF

⁵⁵ AA MP1170/4 TE 1/1, Paton to Davidson, 13 April 1959, pp. 1-2.

⁵⁶ op cit. Paton to Davidson. Paton argued that educational television must be established on an independent basis because; 'Educational television if it is to have an audience, must necessarily avail itself of all the devices of the entertainer in the art of presentation. At the same time its purpose is education, and if its impact is to be worthwhile... it must be controlled by an outlook in which educational needs, content and presentation are the predominating influences.'p. 2.

⁵⁷ Boyer to Davidson, 28 May 1959, and 4 June 1959.

⁵⁸ Osborne to Davidson, 7 January 1960.

channels meant that it was unlikely any could be reserved for educational use in the capital cities, and the question of allowing UHF transmission had yet to be considered, although 'if it were decided to introduce UHF there would be no difficulty about the reservation of a UHF channel in each capital city for an educational station.'⁵⁹

In December 1961, in response to a number of similar requests from academics in Sydney and Melbourne that educational television stations be authorised by the Control Board, Osborne suggested to Davidson that a committee of inquiry into all aspects of the issue, be set up, before any decisions on particular requests were made since the matter had extremely wide-ranging ramifications.⁶⁰ Meanwhile, the Minister was being lobbied by the ABC Chairman, J.R. Darling, and General Manager Sir Charles Moses, to allow the Commission to televise educational programmes on behalf of tertiary institutions, outside the normal transmission hours.⁶¹

In May 1962 Osborne submitted a memorandum to the Minister in which he outlined some of the variety of possible approaches to the issue of educational television, and recommended, as before, the appointment of an expert committee of inquiry. By July 1963 the Board had been authorised to proceed with an inquiry and proceeded to appoint the director of the Commonwealth Office of Education, W.J. Weedon, as chairman.⁶² The Committee presented its report to Parliament on 12 October 1964, recommending that a single VHF channel be reserved for educational television as a part of the fourth stage of transmission extension. It also recommended that UHF channels should be reserved for experimental

⁵⁹ *ibid.*

⁶⁰ ABCB, 'Educational Television Stations, Draft Report to Minister', signed Osborne, 8 December 1961.

⁶¹ Moses to Osborne, 6 January 1962.

⁶² Committee members were; W.J. Weedon, J.E. Bourke, D. Cochrane, T.L. Robertson, and D.E. Whitehead.

educational purposes by universities and technical colleges (initially in Sydney and Melbourne). The Committee decided that Educational television should be administered by an independent authority rather than the ABC⁶³ and the cost of the authority, estimated at an initial outlay of £5, and £3.5 million annually.⁶⁴

The Control Board considered the Committee's findings in November 1965 and resolved to make 'no commitment' on the allocation of VHF frequencies for educational purposes until the relevant educational authorities in the states agreed on a policy for the proposed agency. In the meantime, the Board recommended that the existing educational programmes transmitted by the ABC, be extended.⁶⁵

The acceptance by the Control Board of the Weedon Committee's finding that educational television required a separate network, implied that the Board acknowledged that entertainment values prevailed in commercial television programming. It was also acknowledged by critics of commercial

⁶³ It was recommended that the authority make use of the ABC's transmission facilities as an interim measure, pending the provision of separate transmission and production facilities.

⁶⁴ *Report of the Advisory Committee on Educational Television Services to the Australian Broadcasting Control Board*, Government Printer, Canberra, May 1966, Summary of Conclusions, pp. 55-61.

⁶⁵ Osborne to Hulme, 17 February 1965, and ABCB Minute, 'Report of Advisory Committee on Educational Television', 3 November 1965. The commercial stations had experimented briefly with educational programmes such as TCN 9's *Doorway to Knowledge* series, televised in the early mornings from 1959 - 1963. The programmes consisted of university style lectures given by academics from Sydney University and the University of Technology. There was no attempt to dress up the programmes using entertainment production techniques, and Frank Packer complained of the programmes' low ratings to the Vincent Committee. Production costs, however, must have been correspondingly low.

television that educational programmes which neglected slick production values would lose audiences.⁶⁶

⁶⁶ Mungo MacCallum wrote about the TCN educational programme *Doorway to Knowledge in Nation* on 14 July 1962: 'Tutors turn up at the studio about 45 minutes before a programme for a quick run through'and, that the 'basic ingredient' of Doorway 'is a man talking (with or without a few simple illustrations). At its best it has an engaging directness and simplicity; at its worst it is arid and wastes the visual strength of TV.'

Chapter 8.

'Is it interesting, is it gripping,?'* Is it as good as *Bonanza*?

From 1961 to 1965, while commercial television networks became established in all major Australian markets, issues such as the low proportion of programmes of Australian origin, and the continuing process of the concentration of media ownership and control, gained prominent places on the political agenda. Both the federal ALP Opposition, which nearly won government in the 1961 election, together with trade union, church, and educational lobby groups, ensured that these issues were frequently debated in Parliament, the press, and in other public forums. The federal Labor caucus set up a 'press radio and television committee' under the chairmanship of Senator P.J. Kennelly (Vic.) which held its first meeting on 5 May 1959.¹ The Committee was to investigate all aspects of share ownership of television licensee companies, and 'policy and editorial control of newspapers, radio and television stations.'²

That the eventual legislative results of all this activity were so limited may be attributed partly to the Government's more secure electoral position after 1963, so that the necessity to placate as wide a variety of back bench and sectional interests as possible, was reduced. It would also have been politically damaging to the Government's standing, both with the media proprietors, and with a majority of the wider electorate, for whom

* Sir Frank Packer in a statement of evidence to the Senate Select Committee on the Encouragement of Australian Productions for Television, Minutes of Evidence presented to Parliament, 31 October 1963, p. 314.

¹ University of Melbourne Archives, P.J. Kennelly papers, Box 17, Bundle 5.

² *ibid.* Committee members in addition to Kennelly were; Senator S.W. O'Flaherty(S.A.), G.M. Bryant (Wills), A.A. Calwell, (Melbourne), G.W. Duthie (Wilmot), W.J. Fulton (Leichhardt), E.G. Harrison (Blaxland), F.E. Stewart (Lang), E.G. Whitlam (Werriwa).

commercial television provided popular entertainment, for it to have made wholesale structural changes to what were, by 1963, immensely profitable commercial networks.

Throughout 1962 however, the Government's precarious position, after nearly losing office, added weight and urgency to Opposition criticism of the Government's commercial television policy. Davidson's announcement in March 1962, inviting applications for a third commercial licence in the major capitals, provoked the Leader of the Opposition, Arthur Calwell, to call for an urgency motion on 14 March, to debate:

the injury to the public interest involved in increasing the number of commercial television licences in the capital cities; and the need instead to increase the number of national television licences in all areas and to appoint a select committee to investigate the conduct and standards of television in Australia.³

Calwell deplored the unchecked consolidation of shareholdings in television licensee companies by the metropolitan media which was clearly undermining the Government's own 'localism' policy. He pointed out the weakness in the existing legislation which allowed existing metropolitan licensee companies cross shareholdings of up to 15 percent in other licensee companies before they were designated as having a 'controlling interest' for the purposes of the Broadcasting and Television Act:

Apparently, nothing can prevent a company from circumventing the decisions of the Government. A company may act through subsidiaries to obtain the ownership or control of all the commercial television stations operating in Australia.

Calwell lamented the neglect of country interests: Why, he asked, 'must we pander all the time to the great swollen populations in the capital cities? What about the great outback?'⁴

In support of his Leader, L.C. Haylen (ALP, Parkes), the Opposition's most consistent commentator on a range of media issues from support for

³ C.P.D., Repts., 14 March 1962, p. 765.

⁴ *ibid.* p. 767.

Australian artists to censorship, added vigorous criticism of the prevailing standards of programme shown on commercial television. Commercial operators, he said, 'do not give a tinker's damn for the kind of television the people get. They are out after profit.'⁵ He argued that competition between networks did not result in greater programme choice, or better programme quality, but merely in more of the same, the Australian industry being dominated by 'block' purchasing of material from American distributors:

There is in New York a company called the American Musical Society...Whatever...television station you look at, the music all comes from this concern...It will supply a musical film, but with this film the station will have to take half a dozen live artists to support it. The station has to buy the lot. It is a package deal. Yet the honourable member opposite has had the temerity to say that the Australian people are getting a wide sweep of entertainment.⁶

Calwell deplored the lack of traditionalist Australian 'bush' culture on television, and sought to 'elevate' the popular taste in the directions laid down in the Control Board's Television Standards, and outlined in the 1953 Royal Commission Report: 'We want to raise the standards of television', Calwell said, 'we do not want to play down to what people think they would like.'⁷ Leslie Haylen, on the other hand, was ready to recognize that Art 'is international; entertainment is international. We all like to be able to see the greats from all parts of the world, but we do not want rubbish.'⁸

In answer to these criticisms the Government invoked the verdict of the ratings. A. Fairhall (Lib., Paterson), for years the Liberal's most well informed and constructive debater on media issues, and who did not shrink from criticism of the Government's own policies, argued:

The Leader of the Opposition deplores public taste in entertainment...these gentlemen opposite are prepared to say: "We are sorry for the public. Their taste in entertainment is so poor that they are wasting their time on second

⁵ *ibid.* p. 771.

⁶ *ibid.* p. 772.

⁷ *ibid.* p. 766

⁸ *ibid.*, p. 772.

class television." And they invite us to improve television programmes by installing more national television stations. I have had a quick look at the figures which are quite authentic, and today the national television chain is drawing 12 percent of the Australian audience.⁹

Despite the Government's imperturbable facade, Liberal backbenchers remained sensitive to some of the issues raised by the Opposition concerning Australian programme content and quality. On 14 May 1962, the Secretary of the Federal Liberal Party policy committee B. G. Hartcher wrote to Davidson asking how the Government proposed to encourage more Australian production for television.¹⁰ Davidson directed the Control Board to reply, and the Board's Secretary, J. M. Donovan, wrote to Hartcher to say that although the Government was not in favour of establishing Australian programme quotas the Board had informed licensees that after stations had been in operation for three years, it expected that at least 40 percent of programme material should be Australian, and that 'generally speaking the Minister's direction is being observed.' Donovan drew attention to the prohibition, in force since January 1961, on the use of imported filmed advertisements on Australian commercial television, a measure designed to act as a stimulus to the local production industry. He said that in the Board's view 'every effort should be made to develop the Australian film industry because of its significance for television programming generally, and he indicated that 'at the present time' the Government was considering ways of assisting the local film industry.¹¹ The Board was generally satisfied that its requirement for stations to telecast one hour of Australian produced programming per week at the 'peak viewing period', defined as being between 7.30 pm and 9.30 pm on weeknights, was 'being observed.' Donovan indicated the Board's optimistic view that despite competition from imported film, and absence of protective

⁹ C.P.D., Repts. 14 March 1962, p.774.

¹⁰ AA 1170/4 TA 3/2 pt.1, Hartcher to Davidson, 14 May 1962.

¹¹ Donovan to Hartcher, 6 June 1962.

* ABCB, 13th Annual Report refers to the Minister's direction that 'no imported television advertisements should be transmitted after 31st December, 1960. para. 123, p. 48.

tariffs, the market for local television production would gradually improve.

Donovan told Hartcher that there had been

some Australian programmes of high merit which have been able to attract very considerable attention from audiences. This is important because it indicates that Australian programmes are, *on their own merits*, gaining acceptance with television stations, advertisers and viewers.¹²

This assessment was based on the commercial stations' own ratings data and reflected the position of Australian programmes in the market. The Government's policy towards the encouragement of Australian production was based on the principle that commercial television was an industry which should not require artificial stimulants, such as tariffs or quotas, to sustain it. In the Government's view, the market should be allowed to judge whether programmes were successful or not, and the Government was not prepared to subsidise Australian production which could not otherwise compete successfully with imported film, at any rate before sufficient time had elapsed to indicate whether Australian productions could gain a measure of public acceptance.

The Control Board had monitored film and television production in Australia since the commencement of television transmission, and had paid particular attention to the production industry since the removal of import quotas on film in 1957, when representatives of the Australian Film Producers Association put their views on industry support to the Board at meetings held on the 5th and 19th of August 1957. At the second of these meetings, R. G. Osborne told producers that the issue of quotas and tariffs went beyond the Control Board's statutory functions and was a policy matter that appeared to need 'a general inquiry' before the Government would consider amendments to existing legislation.¹³ At the first meeting, Osborne

¹² *ibid*, my italics.

¹³ ABCB Minute, 'Meeting with Representatives of Australian Film Producers Association in Sydney 19 August 1957, p. 2. The Association's representatives were Hector Crawford of Melbourne's Crawford

had stated the Government's position and denied Control Board responsibility for initiating quotas. He said that the ABC could be 'relied upon' to support locally produced programmes but that:

the commercial service operated for a profit. Licensees had given undertakings as to the Australian content of their programmes but they were all still operating at a loss as far as the Board knew. The stations maintained that it was a question of cost...It seemed to [Osborne] that quotas relating to various categories would be a horror because of the minute regulations which would be necessary.¹⁴

By 1960, it was clear that Australian film producers were not finding a place in commercial schedules. The lifting of restrictive import quotas on film resulted in a lowering of the percentage of Australian produced programmes on commercial television stations. Even the ABC, in a bid to retain audiences, had entered into an overseas programme buying campaign so extensive that it generated complaints in the Parliament, and protests from licensees concerned that the ABC had an unfair advantage because it did not have to pay duty on its imported programmes.¹⁵

In Parliament, on 9 May 1956, for example, E.J. Ward quoted from the entertainment industry journal *Variety* which gave details of a programme

Productions, Robert Lord of Artransa, Sydney, and Garnet Carroll, the proprietor of Pagewood Studios, Sydney.

¹⁴ ABCB Minute, 'Meeting with Representatives of Australian Film Producers' Association in Sydney, 5 August 1957.' The actor/producer Chips Rafferty, attended this meeting in addition to Robert Lord, Hector Crawford, and Garnet Carroll, p.4.

¹⁵ Sir Richard Boyer was forced to defend the ABC against claims made by the Australian Association of Advertising Agencies that, because its purchases were exempt from customs duty, the Commission was able to outbid commercial stations for imported programmes from leading US distributors, *SMH*, 25 September 1958.

It was announced at the opening of the ABC's new studios at Gore Hill on 29 January 1958 that among its latest batch of imported programmes scheduled for the next season were *The Bob Cummings Show* and *Wells Fargo*, *SMH*, 29 January 1958 (Special Supplement, pp.11-14).

'buying spree' recently carried out by ABC executives in the United States:

"Buying is being done on several fronts but mainly in New York by [ABC Assistant General Manager] Talbot Duckmanton...Included in the CBS purchase for Sydney/Melbourne exposure are *Under the Sun, See It Now, You are There, Amos 'n' Andy, Gene Autry, and The Whistler.*"¹⁶

Although left-wing Opposition members, such as E.J. Ward and L.C. Haylen were critical of the high percentage of imported programmes on commercial television, and deplored the tendency for the ABC to imitate commercial schedules in an attempt to maintain an acceptable share of the audience, other Labor members showed more sympathy with Boyer's predicament, including, for example J. R. Fraser (ALP, A.C.T.), a former journalist and vice-chairman of the A.C.T. branch of the Australian Journalists Association, who acknowledged the ABC's need to compete with the commercial stations:

Although the Commission, as a socialized institution financed by the Government and responsible to the Government, has no need to woo its listeners, no need to show a profit, no need to pay dividends, there is I suggest, a real need for it to compete actively with what other stations are offering.¹⁷

The difficulties encountered by the ABC in attempting to offer quality, locally produced programmes in competition with the popular imports shown by commercial stations, were an indication of the difficulties faced by local producers, in placing programmes on a market dominated by imports acquired at a fraction of their production cost.

The central issue concerning the Government was that, nationalist sentiment aside, in its present embryonic state, the Australian film production industry would require substantial subsidies to compete with quality US imports. While the Government had been willing to allow 'infant industries' (including television receiver manufacturing), to become

¹⁶ C.P.D. Repts. 9 May 1956, p. 1871.

¹⁷ C.P.D. Repts. 23 April 1958, p. 1155.

established in Australia behind protective tariffs in the mid 1950's, this policy was being phased out by the early 1960's in favour of reducing trade barriers, particularly with regard to the Japanese market.

This line was confirmed in a report written by K.P. Murphy,¹⁸ Director of the Commonwealth News and Information Bureau, in response to a request from the Minister of National Development, Senator W.H. Spooner¹⁹, for his comments after a recent Senate debate on the 'practicability of placing the Australian film industry on a sound footing by Governmental financial or administrative assistance.'²⁰ In Murphy's opinion, the factors controlling the development of the film industry were not 'capable of being altered or influenced appreciably by Governmental action.' Rather than Government assistance, the

key to success in commercial film production is the extent and money value of the distribution which can be achieved. This depends substantially on (a) the tie-ups which exist between producers and international exhibitors, and (b) the size of audiences which can be reached. Neither factor can be decisively influenced by Government action.²¹

Murphy's letter discussed the value of quotas and subsidies on the film production industry in the United Kingdom:

From time to time, interested parties have cited the United Kingdom Film Finance Corporation as an example of the type of governmental assistance to the film industry which the Australian Government might emulate. The

¹⁸ K.P. Murphy, was a former journalist with the Melbourne *Herald* who became Chief Publicity Officer with the wartime Department of Information, and Director General of the Department in 1948. He became Director of the News and Information Bureau in 1954, and Chairman of the Australian National Film Board in 1963. *Who's Who in Australia*, 1965.

¹⁹ Vice President of the Executive Council and Government Leader in the Senate.

²⁰ AA MP 1170/4, TA 3/2, K. P. Murphy to the Secretary of the Department of National Development, Dr H.G. Raggatt, 19 December 1960, 'The Australian Film Industry', p.1.

²¹ *ibid.*, p. 2.

truth, however, is that the Film Finance Corporation has suffered continuing losses. Established 11 years ago to assist the rapid rehabilitation of the war-damaged British film production industry, the Corporation has now become the continuing national sponsor of films for which finance cannot be obtained from normal commercial sources.²²

The British experience reinforced the fundamental premise that it was 'impossible to disregard the implications of public entertainment tastes and box office appeal.'²³ Murphy advised the Minister that he doubted whether 'at this stage, an examination by a Senate Select Committee of "every facet of the Australian Film industry," as suggested by Lady Paton, would advance the solution of the industry's problems.'²⁴

In 1960, in preference to any wide-ranging inquiries into the local film industry, the Government was inclined to await the results of the amendment to the Broadcasting and Television Act requiring that from the first of January 1961, all advertising shown on commercial television stations should be Australian produced. By May 1962, some effects were becoming apparent, although not quite those originally intended. In 1961, ATN 7 Sydney purchased Artransa Studios as an in-house production facility. It was soon apparent that the major use being made of the studios was to produce commercials in competition with those made by independent production companies. In May 1962, the Executive Director of the Australian Film Producers' Association, L.W. Farrar, complained to C.W. Davidson that Artransa was offering discount production services direct to ATN's client advertisers. Advertisers producing their commercials through Artransa could obtain discounts on time charges with ATN.²⁵

²² *ibid*, Murphy added: 'Not all of these films appear likely to enhance United Kingdom sentiment or prestige. The Corporation's latest annual report (July 1960) [includes a] list of films made with the help of the Corporation [with] such titles as *A Touch of Larceny*, *Jack the Ripper*, *Beat Girl*, *Hell is a City* and *Peeping Tom*.' p. 2.

²³ *ibid*, p. 2.

²⁴ *ibid*, p. 3.

²⁵ AA 1170/4, TA/3/2, L.W. Farrar to C.W. Davidson, 7 May 1962. In reply,

However, despite his concerns about unfair competition between independent producers and television stations' in-house production facilities, Farrar released a press statement in May 1963 acknowledging that a 'considerable benefit had been given to Australian film producers by the decision of the Australian Broadcasting Control Board to prohibit the use of imported TV commercials as from 1st January, 1961.'²⁶ In the same statement Farrar also welcomed the Government's initiative in setting up an inter-departmental committee of inquiry into ways of encouraging the growth of the local film production industry.

The inter-departmental committee to which Farrar referred had been formed in August 1962 at Davidson's request, and members were drawn from the Postmaster-General's Department and the Control Board. The committee's brief was to inquire into aspects of the Australian film industry and report back to the Minister by July 1963.²⁷ In explaining the committee's role to the Parliament on 6 November 1962, Davidson emphasised the circumscribed nature of its investigations:

The committee was appointed to inquire into the question in regard to television and not the wider field of film production. It was asked to inquire how best we could encourage the production of that material - not necessarily by some easy form of subsidy, or something of that sort, but by other methods.²⁸

Before the Government consolidated its position in the election of

Davidson wrote that it did not seem to him 'that the ATN/Artransa discount arrangement contravenes the [Broadcasting and Television] Act in any way.' Davidson to Farrar, 18 June 1962.

²⁶ Australian Film Producers' Association, Press Release, 8 May 1963. The statement continued: 'The assistance thus accorded Australian film producers has provided some degree of essential continuity and stability of which the industry is in dire need.' The press release was signed by L.W. Farrar.

²⁷ ABCB, 15th Annual Report, p. 61, para. 212, and 16th Annual Report, p. 69, para. 214.

²⁸ C.P.D. Repts. 6 November 1962, p. 2081.

November 1963, it had only a precarious majority in the House of Representatives and there was a real need to pay some attention to the Opposition's concerted attack on its television policy, especially since Labor had been echoed in some of its criticisms from the Government's own back bench. ²⁹

In these circumstances, it was clear that a closed inquiry such as the one being undertaken by the inter-departmental committee would gain the Government little political credit and silence few of its critics. Instead it was agreed to opt for a tightly controlled public forum such as a Senate Select Committee with the directions of its inquiry limited by a carefully worded frame of reference.

On 29 November 1962, Senator G. C. Hannan (Lib. Vic.), radio enthusiast, former announcer and member of Actors' Equity, moved that the Select Committee be set up. Like many on the Liberal back benches he deplored the fact that after 'eight years of television in this country only about three percent of the creative drama content of our programmes is Australian.'³⁰

The Select Committee to Inquire into the Encouragement of Australian Productions for Television, was intended to focus on ways of encouraging the development of an economically viable film industry in Australia, rather than on the shortcomings of commercial television programming, which was what the Opposition wanted. Senate Opposition Leader, N. E. McKenna (ALP, Tasmania) attempted to amend the inquiry's terms of

²⁹ AA MP 1170/4 TA 3/8, On 23 October 1963 P. J. Nixon (C.P. Gippsland) wrote to Davidson on behalf of the Victorian Country Party to ask that the Control Board be required to ensure that the Australian drama quotas set out in the Act, be strictly adhered to by all commercial stations. On 21 July 1964, H.B. Turner (Lib. Bradfield) notified Davidson's successor, A.S. Hulme that the Wahroonga branch of the Liberal Party had passed a resolution calling for amendments to the Act to impose more effective quotas for Australian produced drama because the prevalence of foreign produced programmes would have 'an immediately deleterious effect upon Australia's culture, literature and drama and upon Australia's theatre.'

³⁰ C.P.D. Senate, 29 November 1962, p.1634.

reference to scrutinise the television industry and to

inquire into and report upon the extent and effects of the influence exercised by the press, radio, film and allied interests on the films, programmes and general development of commercial television.³¹

Senator W. H. Spooner, who had been forewarned by K.P. Murphy about the political ramifications of an open ended inquiry, opposed this amendment, arguing that the Select Committee could only achieve results if the spirit of bi-partisanship prevailed, and insisting that the Government would not allow it to become a vehicle for an attack on existing licensees. Spooner said that the Opposition's amendment was implicit evidence of

some atmosphere of criticism, some attack on the existing television station proprietors...we want to get the benefit of their knowledge and experience, because they are the fount of knowledge and experience in this matter, up to this stage at least. In my view we do not want this committee to enter on its work in an atmosphere other than that of co-operation.³²

The names of four Liberal and three Labor members of the Select Committee were announced on 7 December 1962. They were Senators T. C. Drake-Brockman, G. C. Hannan, R. C. Wright, H. G. J. Cant, S. H. Cohen, D. McClelland, and V. S. Vincent, elected Chairman on 5 February 1963. Vincent, after whom the Committee was popularly known, was an experienced committee man who had had a keen interest in the theatre as patron, amateur producer, and actor. Of the other Committee members, Senators Hannan, McClelland, and Cohen had special interests in the media, McClelland as a former court reporter, and member of the Australian Journalists Association, Hannan and Cohen with backgrounds in radio. Senators Cant and Wright were there to maintain party discipline. The Committee heard evidence from witnesses from all sections of the film and television industry, including television licensees, advertising agencies, and ratings companies, and its Report was presented to Parliament on 31

³¹ C.P.D. Senate, 29 November 1962, p. 1641.

³² C.P.D. Senate, 29 November 1962, p.1644.

October 1963, together with the Minutes of Evidence.

While the Committee heard witnesses and prepared its Report, debate about the Government's television policy continued in the Parliament. The Opposition focused its criticism on the decision to grant a third commercial licence in the four major capital city markets before the country networks had been fully established, a decision which benefited interests of whom the ALP clearly disapproved, namely The Herald and Weekly Times Ltd, and Ansett Transport Industries Ltd.

By April 1963, when the Postmaster-General announced the successful applicants for the third commercial television stations in Sydney and Melbourne, Arthur Calwell again called for a censure motion against the Government on the grounds that its 'policy in relation to the granting of commercial television licences [was]...contrary to the best interests of the community.'³³

In the debate on the motion, Calwell took his argument back to basics. He insisted that the television frequencies should remain within the public domain, and that by licensing their commercial use the Government was allowing the alienation of public assets. Share trading in licensee companies, Calwell said, made a mockery of the Control Board's attempts to regulate licence ownership. In answer to a question from J.H. Bate as to whether this meant the ALP intended to nationalize television, he suggested that Australia should adopt an independent television authority along the lines of the ITA in the United Kingdom.³⁴ Calwell had substantially modified his initial hard line towards commercial television because as Opposition Leader he had been forced to a more realistic assessment of the public's support for it. He knew that there were few votes to be gained from a firm

³³ C.P.D., Repts. 18 April 1963, p. 697.

³⁴ C.P.D., Repts. 9 April 1963, p. 487: 'No I do not want to nationalize television; but I would do what the Conservative Government in the United Kingdom did, namely, set up an independent television authority.'

stand on nationalization, and in this respect he was adopting the position held at first by the previous leader H.V. Evatt, and by the current deputy, E.G. Whitlam. Calwell concluded by demanding a Royal Commission to investigate the licensing structure from first principles 'with a view to determining what better methods could be substituted for existing ones.'³⁵

The British ITA model, to which Calwell referred in his speech, was a dual system consisting of the BBC, as the national radio and television broadcaster, and the Independent Television Authority, a statutory authority set up by the Churchill Government on the recommendation of a white paper produced in 1952 by the Conservative Party Broadcasting Policy Committee.³⁶ The ITA established and operated television transmitters on behalf of 'programme providers,' who functioned on a 'time share' basis on weekdays or weekends. Programme providers were licensed by the Authority which retained ownership of the transmitters, set up and controlled by the Post Office. The first commercial services began in London on 22 September 1955 (Associated Rediffusion), the Midlands on 17 February 1956 (Associated Television), and in the North on 3 May 1956 (Granada). Other regional stations followed until a network comprising 22 stations operated by 15 programme companies was established by 1962.³⁷

By 1960, however, in response to some public dissatisfaction with programmes, the Pilkington Committee of inquiry into the future of broadcasting in the UK, pointed out what it considered to be serious weaknesses in the operation of independent television, in similar terms to

³⁵ *ibid.* 18 April 1963 p. 703.

³⁶ The Committee was chaired by Lord Woolton and included leading Conservatives with interests in the electronics industry (Ian Orr-Ewing), and advertising (John Rodgers). See B.Sendall, *Independent Television in Britain*, Vol 1, Origin and Foundation, 1946-62, (London, 1982), pp.9-10.

³⁷ B. Sendall, *Independent Television in Britain*, Vol 2, Expansion and Change, 1958-68, (London, 1983), p.2.

the complaints made in Australia about the quality of programmes and the tendency towards the aggregation of shareholdings in licensee companies through stockmarket trading. The Pilkington Committee Report, for example, noted that despite the ITA's control over transmitters

the sanctions available to the Authority are not such as to enable it to hold the initiative in its relations with the contractors [programme providers], and still less to control them, once the contracts have been let...Thus, as independent television is now constituted and organised, the appointment of a program contractor is virtually irrevocable; and once appointed, a contractor cannot be effectively disciplined.³⁸

Like the Control Board in Australia, the ITA had no power to

prevent any mergers, take-over bids or transfers of shares, which indirectly affect the control or ownership of programme companies, or incidentally and indirectly create a link between two or more programme companies.³⁹

The Pilkington Report determined that a fundamental weakness of independent television lay in what the Committee perceived to be an inconsistency between the function of television as a public service 'which will realise as fully as possible the purposes of broadcasting', and its commercial role which was to 'provide a service to advertisers'. These two functions were judged to be incompatible, and in fact irreconcilable.⁴⁰ The Report specifically criticised the lack of innovation, regional variety, and real programme choice, which it attributed to the domination of regional stations by the London companies, Associated - Rediffusion and ATV, which operated on an unofficial network basis.

The Pilkington Committee recommendations were reflected in the UK Television Bill of 1963, which provided for more extensive supervisory powers over the design of programme schedules and network operations,

³⁸ *Report of the Committee on Broadcasting 1960*, London H.M.S.O., 1962, p.165.

³⁹ *ibid*, p.166.

⁴⁰ *ibid*, paras. 568-579.

and a levy on gross advertising revenue.⁴¹

Replying to Calwell in the censure motion debate on 18 April 1963, Davidson referred extensively to both the Pilkington Committee Report and to the British Government White Paper which was tabled on 18 December 1962. In Davidson's opinion the White Paper's recommendations were 'only one step... from complete nationalization of the commercial broadcasting services.'⁴²

In his reply to Davidson, E.G. Whitlam signalled a shift in the thrust of the Opposition's attack on the commercial television stations, from an emphasis on programming inadequacies to a demand that since licencees had exclusive use of a public resource (the frequency bands), they should pay a higher premium for it than the present licence fee:

If we had the ITA system in Australia the public would have some share in these profitable commercial enterprises and the Government, instead of receiving a licence fee of £100 a year from a station, would receive some hundreds of thousands of pounds annually in revenue from these very large monopolies and the public would receive better and more varied programmes.⁴³

This measure, with its populist appeal of taxing the undeniably large profits of the commercial stations, proved a more effective tactic than criticising popular taste in an election year. It was eventually adopted by the Government as part of its package of reforms of commercial television in 1964.

In response to Whitlam's sally, the Government emphasised the widening gap between the electorally attractive stance taken up by the leaders of the Parliamentary Labor party, and the party's published platform, which was still committed to the nationalization of television. The argument, repeated

⁴¹ *ibid*, para. 579, and see also B. Sendall, *Independent Television*, Vol 2, Chs. 24-26, *passim*.

⁴² C.P.D. Repts. 18 April 1963, p. 707.

⁴³ *ibid* pp. 710-11.

at every opportunity until the election on 30 November 1963, was that Labor's elected representatives would be forced to follow the party line dictated by the '36 faceless men' of the ALP Federal Executive machine.⁴⁴

While the Government had the upper hand in Parliament during the second half of 1963, debate flared in the press about the shortcomings of its television policy centered on the issues raised in the Vincent Committee's Report which was tabled at the end of October.

The Report noted that most criticism of existing commercial programmes came 'mainly from the more informed or responsibly minded section of the community, and it is widespread.'⁴⁵ Both the commercial stations and the ABC were criticised for their lack of imaginative programming, and the commercials in particular for their failure to cater for minority needs or to foster the development of television drama.

A more pointed criticism was aimed at the Control Board itself, both for failing to frame its Standards in such a way as to ensure a positive response from licensees, and because it had so far refrained from taking any punitive action against licensees who had failed to meet the spirit of the Board's recommendations on programming.⁴⁶ In general, the Board had been

too inclined to accept the 'ratings' system as being its main criterion of assessment as to suitability, subject matter, content and quality of programmes...the Board should have other criteria.⁴⁷

This was a significant criticism directed at the Board's fundamental acceptance of the market as the basic arbiter of taste and cultural standards,

⁴⁴ See C.P.D. Reps., 18 April 1963 p. 714, and speeches repudiating the censure motion by R.G. Menzies, J. Bate, and Malcolm Fraser, *ibid* pp. 715-19 and 736-49.

⁴⁵ *Report of the Senate Select Committee to inquire into the Encouragement of Australian Productions for Television, 1963*, Commonwealth Government Printer, Canberra, p. 1.

⁴⁶ *ibid*, pp. 5-6.

⁴⁷ *ibid*, p. 6.

implicit in its decision to monitor the ratings rather than to impose programme standards which might clash with the public's acceptance of them.

Turning from its criticism of existing television regulation to the problem of the lack of successful Australian drama series, the majority of the Committee found, despite a dissenting opinion from Senator R.C. Wright, that there was little prospect of improvement in either the quality or quantity of local production with the existing level of competition from cheap imports. An Australian film industry which could export its products on a competitive basis must be nurtured by means of tax concessions and selective grants. The creation of an export sales market was believed to be the key to the growth of the industry. In addition, the Committee recommended that live theatre be encouraged and a film and drama school established as an important source of scriptwriting and acting training.

The evidence presented represented a cross section of film, television industry, and viewer opinion on the problems as well as the potential of Australian television. A central theme of discussion was the most effective means of encouraging quality drama production. There was general agreement among witnesses that a pool of talent in all aspects of film production already existed but that it required a stable and regular production environment in order to be maintained at present levels, or to develop further. An on-going commitment to local drama when 'overall production costs of drama necessarily involve a high incidence of loss,'⁴⁸ required the kind of risk capital investment which the existing commercial licensees were not prepared to make. However in the Committee's view, television, even 'serious' television was fundamentally 'show business,' and

Show business must have failures because of the unpredictability of public

⁴⁸ *ibid*, p. 17 para. 68.

appeal and reaction. Capital invested in show business will always remain risk capital involving a very high proportion of losses.⁴⁹

As independent film producer Paul Terry put it, 'no single person can predict what the public will like...we have to think about how many corny shows have become cash successes.'⁵⁰

J. R. Darling, formerly a member of the Control Board, now Chairman of the ABC, agreed that there must be a provision 'to allow for experiment and some degree of failure' in drama production for television. He assumed that quality television drama must be ultimately derived from flourishing traditional high culture forms such as live theatre. 'All this is tied up', he thought,

with the necessity for having a live drama, opera, ballet and national institutions which people will want to watch. You cannot build this television thing in a vacuum. It has to be built on the existing drama in the country.⁵¹

Whatever Darling's views, the ABC's General Manager Charles Moses knew that the ABC and the commercial stations played to audiences with divergent tastes and interests:

The fact that commercial stations put on so much of what is frankly entertainment rather than educational programmes enables us to give a little more time to something that is worth while and of cultural benefit. We are able to do more of this than if we were on our own. If we were the only station we would have to consider the masses a good deal more than we do now. ⁵²

The commercial station proprietors who saw their function as catering for mass taste believed that they were doing this already and like Sir Frank Packer, for example, did not think the Select Committee had 'a real

⁴⁹ *ibid*, p. 17.

⁵⁰ Senate Select Committee, *Minutes of Evidence*, p. 11.

⁵¹ *ibid.*, *Minutes*, p. 126. Darling's view was eventually proved to be incorrect by the development within a few years of local television drama by programme 'packagers' such as Crawfords and Grundy.

⁵² Charles Moses, *Minutes*, *op cit*, p. 91

problem' to deal with at all.⁵³ Packer was sure that there was little point in insisting on local drama quotas because

the viewers do not really mind whether a programme is produced in Australia, in America, in Spain, in the Argentine or anywhere else. About 95 percent of them do not mind as long as it is good and entertaining. Whether you agree with their taste is another matter. That is their individual right. The majority of people who look at programmes look at them because they like them for entertainment.⁵⁴

Packer dismissed the wad of complaints about programme standards received from other witnesses as representative of sectional interests:

all you have is a lot of statements by people saying that they think programmes have a bad effect. I do not think they do have a bad effect. I do not think that we are doing any more on television than we did with the penny dreadfuls.⁵⁵

Pressed by the Committee to offer a definition of a good programme, Packer replied in broadly populist terms:

It has to be something that has movement. It has to have good action and probably some feminine interest. You can take any of the shows - it has to be something like that.⁵⁶

Packer also offered the leading criteria by which programmes were selected for the 9 Network. Schedulers, he said, asked themselves whether:

it is good entertainment, inoffensive, in the long run does it portray good? Is it thrilling? Is it interesting? Is it holding? Is it gripping? Is it funny? There are a lot of measures. Each program has its own set of measurements.⁵⁷

Packer was sure that no Australian producer could offer the production values he was looking for at a price an advertiser would pay:

[The Australian producer] is a long way from making a film like *Perry Mason*, *I Love Lucy* and those sort of films, but if somebody could make them good enough to be able to sell them overseas it would be OK. I do not

⁵³ Sir Frank Packer, *Minutes*, op cit, p.306.

⁵⁴ *ibid*, p.304.

⁵⁵ *ibid*, p.311.

⁵⁶ *ibid*, p. 313.

⁵⁷ *ibid*, p. 314.

know who is going to do it. It runs into real money.⁵⁸

A central point at issue between television reform groups and commercial operators, evident from the minutes of evidence, was the extent to which the ratings provided a true indication of what the public wanted. Evidence submitted by W.A. McNair and G. H. Anderson, representing ratings survey companies, indicated that ratings gave an indication of the public's relative rather than absolute preferences for programmes, that viewer choice was effectively limited to those programmes scheduled at any one time, and that the choice was pre-determined by the desire of all advertisers to direct their message to the broadest possible spectrum of the mass market. Under these circumstances, there was no attempt at overall programme 'balance' by commercial stations, and no attempt to cater to selective audiences. W. A. Mc Nair told the Committee that he

did not think that commercial stations aim deliberately at any particular class. For the most part unless their sponsors want a certain programme I think they aim at the greatest number of viewers. As I said earlier, the sponsors are largely food manufacturers and so forth and they aim, not at a particular class but at the maximum number of people.⁵⁹

The ratings were a blunt instrument which measured audience numbers at a given time and were incapable of assessing people's relative preferences in positive terms. G.H. Anderson said that his company had attempted one such qualitative survey in collaboration with the Control Board which was designed:

to find out the inherent popularity of say classes [of programme]...we came up against the problem that we would be conducting an opinion poll rather than taking a factual measurement as we do. We would have to ask people what their opinions were or what they preferred...[however] what people say they would like to have and the type of programme they actually look at have very little relationship. People say they would like this or that, but they would not like it unless it was given to them at a time when they would

⁵⁸ *ibid*, p. 308.

⁵⁹ *ibid*, p. 696.

like it.⁶⁰

The ratings companies were not interested in qualitative research. They provided tools for advertisers and programme schedulers to gauge audience reach and market share. As Anderson was at pains to point out:

We are very limited in what we do. We try to give the station something to help in the programming and something to help sell his time, and we try to give the buyer something to help him pick the best time and to get the best for his money.⁶¹

The effectiveness of the ratings as a marketing tool was proved by the commercial stations' adherence to them and by the ABC's selective use of their data when planning programme schedules. The reliance on ratings also clearly indicated how far the entire system was geared to commercial imperatives so that every concession to other cultural or minority tastes or standards in programming was perceived to be at the 'expense' of the market, or in terms of profits foregone. Even the ABC was unable to resist the pull of the ratings since it had to compete with commercial schedules for the available audience and to modify its programming to some extent because of this.

While the Committee hearings continued, the leading issues were also aired in the press. In November, J. R. Darling acknowledged to the annual conference of Christian Television Association that competition 'for viewing ratings has almost destroyed television's possible value for purposes other than entertainment' and 'the ABC suffered from this fault almost as badly as others.'⁶²

In Sydney, Packer's *Daily Telegraph* conducted an editorial campaign against the Committee itself, which it accused of 'intellectual snobbery'⁶³ and of

⁶⁰ *ibid*, p. 705.

⁶¹ *ibid*, p. 705.

⁶² *Melbourne Age*, 20 November 1963.

⁶³ *Daily Telegraph*, 25 September 1963.

wanting to replace high rating programmes with 'local trash'.⁶⁴

An advertising agency director, Paul Jacklin, told an AANA convention in October 1963, that 'academic fascists' wanted to impose selective cultural standards on viewers,⁶⁵ and the papers seized upon up-and-coming Navy Minister, Senator John Gorton's shrewd expression of populist sentiment:

I want to have a chance to watch a cowboy walking down the street in a little Western town, reaching for his gun, and drawling: "I woodn' do thaaf if ah ware yew."⁶⁶

While it seemed, as the hearings continued, that there could be no common ground between the television station licensees and the independent film producers on the question of reform of the industry, the evidence of one producer, Hector Crawford, was an example of the Australian tradition of making-do and provided a glimpse down a path to success that was eventually followed by local production companies. Hector Crawford remained undaunted by the need to compete with imported film; his own company was creating its own 'niche' market for a low budget TV series with a local flavour as he told the Committee:

Because of the lack of demand for high budget programmes in Australia my company set about developing the technique of low budget drama productions. It is because of the development of this technique that *Consider Your Verdict* which is a low budget production, has managed to maintain its position in the market, and has achieved a reasonable measure of success.⁶⁷

Low budget drama series were made possible, Crawford said, by the use of video tape, and by using the same interior sets for many episodes in a series,

⁶⁴ *ibid.*, 1 November 1963.

⁶⁵ *Age*, 16 October 1963.

⁶⁶ *Age*, 31 October 1963; *Daily Telegraph*, 1 November 1963.

⁶⁷ Hector Crawford, *Minutes*, *op cit*, p. 50. *Consider Your Verdict* was a courtroom drama series produced by Crawfords in Melbourne for GTV. It owed its comparatively high ratings to tight scripting, local flavour, and the use of some prominent Melbourne barristers in some episodes. It borrowed its formula from the American programme *Perry Mason*.

supplemented by a minimum of filmed action sequences. He outlined the technique of combining indoor scenes on video with outdoor 'action', a procedure which the company was to follow successfully for the series *Homicide*, which commenced production in 1964.

Take the case of the programme *Consider Your Verdict*. If we had sufficient money to take the programme away from the courtroom now and again, in order to give it some movement outside in another locale, perhaps at the scene of the crime, this would remove the static effect. But every time you take a step of that kind it means another £200 or so for your film cost.⁶⁸

Crawford did not think that quotas would encourage quality Australian drama, the competitive marketplace would be more effective. However he did favour a low tax on imported film with proceeds to provide an investment fund for local production. Colin Bednall, station manager of GTV 9 Melbourne agreed that fundamental changes to the structure of the television industry were not necessary to bring about the desired improvements in programming. Given patience and experience, things would improve incrementally:

I have learned to be content with little victories, and unless you are content to let the little victories add up - and in the end they will add up - I can see nothing but a situation in which you will lead the public horse to water and find that he will not drink...if a thing is done well enough it can live by natural means.⁶⁹

As Albert Moran has pointed out in his book *Images and Industry*, Australian drama production for television was organized more effectively when commercial stations gradually abandoned live drama production in favour of purchasing from programme packagers. Crawfords was the pioneer in this process of industry specialization, the other decisive contributor being the ban on imported commercials which fostered technical expertise among local film producers. The Committee acknowledged:

⁶⁸ *ibid.*, p.58.

⁶⁹ Colin Bednall, *Minutes*, p. 73.

In recent years, Australian studios have produced less than one 'feature' film per year. They still produce some of the best documentary films in the world; but if it were not for the directive issued by the Government in 1960 whereby the importation of television 'commercials' was virtually prohibited, the film industry would now be extinct.⁷⁰

National advertisers, who invested about £14 million in television advertising in 1960,⁷¹ were not prepared to subsidise the production of features indirectly through the imposition of quotas. They would simply use other media as the vehicle for advertising. P.W. Kelso, Vice-Chairman of the Australian Association of National Advertisers told the Committee:

In our opinion the industry is technically sound but very weak in scriptwriters, actors, and experienced directors. It is capable of making good feature films, but cost is a vital consideration to an advertiser...Advertisers would not be willing to sponsor programmes unlikely to interest or appeal to the Australian public.⁷²

Advertisers were not prepared to put up the risk capital required to set up a feature film industry. Some direct Government assistance was necessary and this is what the Committee recommended.

The Vincent Committee Report was debated in the Senate on 18 March 1964, and on the following day Davidson directed the Board to comment on Senator Hannan's demand that the Committee's recommendations be followed up. Osborne pointed out that the principal charges levelled at the Board, namely that it had failed to ensure that stations provide 'adequate and comprehensive' programmes, and that it had failed to initiate punitive action against licensees for breaches of the Standards Regulations of the Broadcasting and Television Act, were invalid.

Osborne argued that the so called 'breaches of the Act,' referred to by the Committee, were 'not of a sufficiently serious nature to justify revocation,

⁷⁰ Senate Select Committee, *Report*, op cit, p. 26.

⁷¹ AAAA figures in AA MP 1170/4, TA 2/1 pt 2.

⁷² op cit., *Minutes*, p. 132. He added: 'The present lack of Australian feature material presents no problem to the advertiser while it is possible to take the pick of the world's best programmes'.

suspension or non-renewal of a licence which are the real penalties available under the Act.' He reminded the Minister that the 'present provisions of the Act' particularly the definition of 'adequate and comprehensive' programmes 'were vague:'

It is partly for this reason that the Board has proceeded in administering Section 16 by way of consultation and co-operation with licensees rather than by more formal means. This seems to have been one of the main grounds of criticism of the Committee.⁷³

In a more detailed (21 page) response to the Vincent Committee Report submitted to the Minister on 3 April 1964, Osborne again refuted criticism of the Board's policy of industry consultation and negotiation with reference to programme standards matters:

Basically the criticism of the Board's administration (which goes as far as the statement that the Board has "ignored its obligations") is that the Board, in its dealings with commercial television licensees, has proceeded by way of consultation and co-operation of a generally informal kind...The expression 'sweet reasonableness'...which is quoted (I think unfairly) in paragraph 28 of the Report is taken from my evidence and said to display complacency.⁷⁴

Osborne reminded Davidson that the Board's policy on industry consultation had been applied with the Minister's agreement, and that in any case no other procedure was possible given the weakness of the legislation.⁷⁵ He concluded that effective regulation of programme standards would only be possible if 'very much more detailed powers, including detailed control of programme content, would be conferred on the Board,' and he added:

I would only say that the provisions which would seem to us to be required if the Committee's view is accepted would have to be similar to those

⁷³ AA MP 1170/4, TA 3/12, ABCB Minute, 'Comments on Speech of Senator Hannan in Senate on 18 March 1964, p.2.

⁷⁴ ABCB Memorandum, 'Report from the Select Committee of the Senate on the Encouragement of Australian Productions for Television,' 3 April 1964.

⁷⁵ *ibid*, p. 17.

conferred on the Independent Television Authority in the United Kingdom by the Television Act 1963...and involve, inter alia, the submission by licensees of proposed programme schedules to the Authority'.⁷⁶

While the Vincent Committee Report was prepared to recommend the establishment of a film and drama school, and tax concessions and subsidies for Australian producers, the Government was not willing to listen. In Supplementary Observations to the Report, Senator R.C. Wright published his dissent from even these limited forms of assistance. 'I do not think', he said:

that a recommendation for much larger appropriations out of general revenue is warranted. In my view this industry, on both the national side and the commercial side, should be financed out of its own resources: ie. television licence fees and turnover tax on television advertising revenue.⁷⁷

In his comments on the Report, Osborne had maintained that the witnesses appearing before the Committee did so as representatives of sectional interests, and that therefore could not be said to be substantially representative of public opinion as a whole.⁷⁸ That this was also the Minister's opinion was clear from a letter from Davidson to the Chairman of F.A.C.T.S, (the Federation of Australian Commercial Television Stations), A.S.Cowan, in which Davidson wrote:

I agree that much of the criticisms voiced by the Committee, and some of the recommendations contained therein, could hardly be substantiated by the evidence available to the Committee.⁷⁹

It was hardly surprising that after some limited and inconclusive debate in the Senate, the Vincent Committee Report was ~~finally~~ shelved, until the

Whitlam^c government initiated higher Australian content quotas and established the Australian Film Development Corporation and the Australian Film & Television School. Both had little influence on commercial television programming however.

⁷⁶ *ibid.*, p.18 In Osborne's view, this 'involves an enormous administrative problem: I am not sure if it is capable of successful operation.'

⁷⁷ Senate Select Committee, *Report*, Supplementary Observations.

⁷⁸ R.G. Osborne, ABCB Memorandum, 3 April 1963, p.15.

⁷⁹ MP 1174/4 TA 3/12, Davidson to Cowan, 12 December 1963.

Conclusion

Show Business or Serious Business?

At the end of its first decade the commercial television industry was established throughout Australia as a part of the industrial life of the nation. It was profitable, in spite of the addition of a third network in the major capitals after 1964, and its profitability greatly enhanced that of the network proprietors - Australia's major newspaper companies, John Fairfax and Sons, Consolidated Press, The Herald and Weekly Times, and News Limited.¹

The networks were the result of the market dominance of the initial metropolitan licensees. Their hold over the principal markets was extended interstate and later to provincial markets by their ability to control programme sources, as well as by their strategic shareholdings in subsidiary licensee companies (often obtained by control of newspapers in the smaller states and provincial centres).

The higher cost structures of the television industry called for correspondingly higher levels of capital investment than radio broadcasting, a factor which narrowed the field of potential investors from the beginning. Despite the existence of a policy of 'localism', or of encouraging regional autonomy and diverse ownership, the Menzies Government's non-interventionist, pro-enterprise outlook, together with the absence of a prevailing political and social consensus about cultural standards, ensured that the industry developed free of all but the minimum of regulatory controls. The limited and belated attempts to restrict cross share ownership, and share trading in licensee companies which had led to early network

¹The ABCB Seventeenth Annual Report, 1965, contained a statement of net annual aggregate profits of commercial television stations which showed a profit of £2,996,777 for 1962-3, declining to £2,873,893 for 1963-4, p. 37 para. 136.

development, only occurred in response to sustained Opposition, and some Country Party and Liberal backbench pressure.

The Opposition's television policy underwent considerable changes during the decade. From the Chifley Government's policy which called for a national service only, H.V. Evatt was prepared by 1955 to accommodate the realities of commercial licences. Arthur Calwell remained reluctant to accept this, until he too modified a stand which had become an electoral liability, on becoming Leader of the Opposition in ¹⁹⁶⁰1959:

Labor's hostility to the idea of licensing commercial stations stemmed from the Party's traditional distrust of the metropolitan press, and from the tendency of politicians on the left of the Party, such as E.J. Ward and L.C. Haylen, to regard media proprietors as agents of class war. On the other hand, younger Labor spokesmen, such as E.G. Whitlam and later Douglas McClelland, went beyond these attitudes and instead advocated increased regulation to diversify station ownership, increased taxation of industry profits, and the imposition of programme quotas as the means to reform the existing dual system.

By contrast, the Menzies government, electorally secure for most of the decade, was content to allow the press to control television, and was prepared to defend this position by asserting that a free press was truly representative of community interests in a pluralist democracy.

This argument first began to be challenged by those interest groups whose role as the traditional transmitters of cultural, religious, and educational values was threatened by television. Their hostility was first expressed at the Royal Commission hearings where they sought to delay the introduction of any form of commercial television. It was translated at the Vincent Committee hearings, into demands for more stringent programme regulation, Australian programme quotas, and subsidies for the encouragement of Australian production. While the Control Board were

sympathetic to, and initially adopted the cultural and educational aims of the elite as a basis for programme standards, and as legitimate regulatory goals, the industry imperatives with which they had to deal on a day-to-day basis, forced them to recognize that the market clearly indicated that television was 'primarily a source of entertainment and relaxation for viewers.'²

Educational and religious interest groups were joined in their dislike of commercial television programming by nationalists who were concerned with threats to Australia's cultural identity from American imported programmes, and liberal intellectuals who deplored the uniformity and low-brow style of mass appeal programming.

The protesting minority was far from being in unanimous agreement about what was wrong with commercial television, or about what should be done to improve it. Small 'l' liberals and intellectuals had little sympathy with the champions of traditionalist bush culture. Professor Manning Clark, one unsuccessful applicant for a commercial television licence in Canberra in 1960, expressed their sense of exasperation with the ideals of the 1890's:

The advocates for the ideals of the old bush culture, for its mateship and its strident - 'I'm a bloody Australian, and I'll always bloody well stick up for Australia' - have become the darling dodos of our society.'³

Writing in the journal *Nation*, Mungo MacCallum, Cyril Pearl and Tom Fitzgerald laid bare the web of interlocking share ownership among commercial television licensee companies, deplored the lack of programmes catering to minority tastes, and lampooned the quiz and variety shows which were the mainstay of local content quotas.⁴ These writers derived

² *ibid.*, p. 62, para. 215.

³ Manning Clark, 'The Ruins of the Ideologies', *The Observer*, 24 February 1963; in Ian Turner, (ed.), *The Australian Dream*, Melbourne, 1968, pp. 348-51.

⁴ Of the quiz give-away programme *It Could be You*, MacCallum wrote, 'It would be possible to diagnose in this programme greed, sadism, masochism,

their critical response to the entertainment values of commercial television from a dissatisfaction with the provinciality of Australian suburban society.⁵ While some of their insights were acute, their critical stance implied an estrangement from the tastes and outlook of most Australians and confirmed their position on the fringe of mainstream political debate.

An appreciation of the importance of entertainment production values in programming was essential to understanding the basis of television's popular appeal. Some politicians, notably ^BW.M. Snedden, J.G. Gorton, A. Fairhall, and despite his generally critical attitude, L.C. Haylen, shared the ability to detect positive innovations in local production. So did experienced producers like Ken Hall, and Hector Crawford. They knew that television was show business, and that the values of show business would prevail. Nevertheless, they did not doubt that these values could be linked with themes which were, not uniquely perhaps, but still recognizably, Australian.

envy, all the currents of inquisition beneath the placid stream of suburbia.' *Nation*, 20 April 1963.

⁵ On the critical liberalism of Tom Fitzgerald's *Nation*, see K.S. Inglis, *Nation, the life of an independent journal of opinion*, Melbourne 1989, Introduction: ' "Australia was a stodgy place in the fifties," said Fitzgerald looking back from 1984, "but one who remained firmly outside the stodge could find interest in observing it and giving it a stir." 'p. 8.

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