

## **Reinventing Public Service Television: From Broadcasters to Media Content Companies**

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### **Abstract**

The proliferation of global niche media with the uptake of digital and broadband technologies has prompted predictions of public broadcasting's demise. However, despite the ongoing insecurity of public funding, national broadcasters appear to have won a stay of execution, finding new purpose in the digital era. This research explores the proposition that rather than facing death in the user-pays narrowcast marketplace, as many predicted in the 1980s and 1990s, public television broadcasters are undergoing a reinvention, identifying new ways of delivering public value in the era of interactive, on-demand media. Now repositioning as media content companies, the trusted brands of public service broadcasters acquire a heightened premium in the unstable online environment where un-credited, non-accountable content abounds; where economies of scale are fuelling corporate conglomeration (such as News Corp's recent acquisition of My Space) transferring more power and influence to fewer hands; and where media access is increasingly conditional. Drawing on recent literature and policy documents and grounded in a series of industry interviews taken from across six case studies, this paper explores the social implications of this reinvention of public broadcasting in the digital age.

## Introduction

Public service broadcasting has been the focus of pessimistic forecasting over the last 25 years, with the concept's respective merits and shortcomings debated in anticipation of its demise (Murdock, 2004, 1). Michael Tracey's 1998 work, *The Decline and Fall of Public Service Broadcasting*, reflected the gloom permeating this debate. Demise it seemed would just as likely come from institutional withering from within, as from commercial competition or ideological opposition from without. Yet in the twentieth first century, as public service broadcasters continue to fight for funding and audience in the fragmenting marketplace, engaging with the possibilities of digital transmission and the World Wide Web, it is evident this system has survived the market liberal reforms of the late twentieth century. Public service television broadcasters around the world continue to register considerable public support (Ward, 2004, 1; Whittle, 2004, 4; Meijer, 2005, 28) and while emerging digital media technologies and platforms bring new challenges they also open new opportunities for delivering the public service remit. This paper explores the process of reinvention, drawing on the ways in which public service television broadcasters are re-positioning themselves as media content providers.

Lest the claim to reinvention sounds a little naïve I hasten to add that I am not suggesting that reinvention guarantees survival - the compromises being made, particularly in terms of funding, could just as likely undermine as reinforce in the long term. My central argument is that there is still a valid role for PSB in the digital era, albeit a rather different one that involves broadcasters reconfiguring themselves as public media content companies. Survival requires viable funding and political will, which may be more forthcoming as reinvention secures a new legitimacy in the on-demand era.

## From Redundancy to Reinvention

In the 1980s questions began to be asked about the long-term relevance of public service broadcasting. The limitations of the electromagnetic spectrum as a finite resource were commonly understood as a key factor in the decision behind state management in the public interest. The advent of cable and satellite technologies capable of delivering multiple channels in overcoming spectrum scarcity, also appeared to overcome the need for state intervention, since these technologies had enough channel capacity to service all the different minority audience needs that PSBs had been directed to serve. More recently Barry Cox (2003) has used much the same argument in his endorsement of "freesheet television".

This technologically determinist argument that PSB was now redundant was reinforced by the prevailing neoliberal commitment to user-pays as a more logical and fairer means of delivering public services. Cable and satellite television services ushered in a new era of pay TV, providing what market-liberal advocates liked to term "consumer sovereignty" (Born, 2004, p. 45-64). These two arguments fuelled a complaint from those who resented paying for public broadcasting when they didn't watch it. PSB opponents viewed the licence fee as an unfair tax, in both the UK (Cox, 2003a, p. 1) and New Zealand. One angry licence fee payer took the New Zealand government collection agency to court; the fee was subsequently replaced by direct government funding in 1999 (Wishart 2000). In this climate commercial competitors felt entitled to represent the public funding of broadcasting as market distortion, representing either commercial ratings on free-to-air, or user-pays via pay TV as more equitable ways of delivering such services. Thus PSB became harder to justify as a public

cost, although many social and cultural reasons were submitted in defending the system's continuing relevance.

One response was that a fairer system would be a "market failure one" - where PSBs provided only that programming not already provided by the market. This proposal took two forms - one was for a single funding agency for PSB content that would hand out money for PSB programs - to all broadcasters on a contestable basis. The other was the PSB publisher, a broadcaster that would broadcast PSB programs commissioned from the independent sector.

The BBC model of PSB as a mainstream broadcaster is generally justified on the grounds that if the government is going to invest public money in broadcasting then that money should be spent in ways that all of the public can get some pleasure from. Thus the mainstream PSB has to have popular as well as minority interest programming (Born, 2004, p. 54-5). Pressure for the replacement of the mainstream model - which also entails a vertically integrated structure with in-house production, the "silo" - with a diminished "market failure" model contributed to the death scenario many painted for PSB in the 1980s and 1990s.

In the new millennium digital terrestrial television (DTT) and growing broadband Internet connectivity are promising to overcome the threat of redundancy that cable and satellite initially posed for PSB in the 1980s. This is because DTT enables free-to-air multichannelling by PSBs - something previously unavailable. So while cable and satellite technology initially left PSBs looking inadequate by servicing minority needs with niche channels, now the digitalisation of the free-to-air television transmission system in many countries has opened up new opportunities for public broadcasters to multi-channel and to more effectively service diverse audience needs and the many directives in their charters. Digital compression has meant an expansion of the carrying capacity of the airwaves bringing new competition for the subscription services being delivered by cable satellite and MDS, new competition for pay TV operators, so PSB multi-channeling is obviously not without critics and is prompting new regulatory constraints to minimize impact and monitor quality (Ward, 2004, p. 48; Coppens & Saeys, 2006).

In Australia the government's initial mandate of high definition television (HDTV) and the peculiarly narrow definition of use applied through datacaster legislation, to new users of digital spectrum, reflects the influence of industry lobby groups. This, plus insufficient funding, has slowed public broadcasters' development of digital channels (Given, 2005). Changes in 2006 saw the launch of ABC2, which, presumably due to a shortfall in funding is largely for viewer time-shifting, and SBS World News which provides a multilingual headline service.

However, in the UK things are rather different. After the collapse of ITV's OnDigital service in 2002 free-to-air broadcasters launched the Freeview platform and both C4 and the BBC are now each offering several additional channels. With UK digital uptake estimated at 77.2 percent in the last quarter of 2006 (Ofcom, 2007) - this free-to-air multichannel service has overtaken Britain's main subscription service BSkyB digital (Ofcom 2007).<sup>1</sup> For the cost of the set-top box (£30) viewers can get over 30 free-to-air digital television channels.

The BBC and C4 use their new digital channels variously - time-shifting programs that have already screened on the main channel, serving niche audiences (CBBC for school-age children and Cbeebies for pre-schoolers, Film4 for film buffs), for testing new concepts

(BBC3), for delivering less populist programming (BBC4) and for cross-promoting content from the mainstream Channels. Budgets for the programming on the new digital channels are considerably smaller than those for the mainstream channels, as are audience numbers.

I suggest there is special significance in the establishment of these channels because they are free-to-air. With advertising budgets moving to new media the demise of free-to-air broadcasting has been widely forecast (Given 2003). This fear underlay the New Zealand government's about-face on digitalization, which had originally been left to the subscription sector (Ministry of Culture and Heritage, 2006, p. 4). Realisation of the national value of a cost-free universal service which, will ensure "publicly funded programming remains available on a free and universal basis to all New Zealanders", and a cost benefit analysis that identified significant gain estimated at over \$230 million after analogue switch off (ASO), has prompted the government to invest in the digitalization of the transmission system (Jameson et al., 2006, pp. 157, 162) and to contribute funds for two new digital channels on TVNZ.

Given political will, digital terrestrial television (DTT) facilitates the delivery of PSB content across multiple channels and platforms allowing broadcasters to deliver content for specific minority audience needs while also cross-promoting general public interest content, with the always-on interface of PSB's portal websites offering a point of intersection for diverse audiences and/or user groups. This idea is central to Graham Murdock's concept of the digital commons:

We have to thinking of public broadcasting as a stand alone organisation and see it as the principal node in an emerging network of civil and public initiatives that taken together, provide the basis for new shared cultural space, a digital commons, that can help forge new communal connections and stand against the continual pressure for enclosure coming from commercial interests on the one hand and new moral essentialism on the other. (Murdock, 2004, p.2)

Since the mid 1990s the World Wide Web has been expanding the scope for delivery of PSB goals. Public broadcasters' websites carry huge amounts of information as background material for television and radio programming that canvases a wide range of social issues in a manner quite different from the distinctly promotional flavour of the websites of commercial television where third party tie-ins predominate. Murdock describes the BBC's website as "one of the most trusted and widely used Internet sites in Europe" (Murdock, 2004, p. 16). The volume and accountability of PSB content and the servicing of minority interests is being enhanced by the Internet's capacity for user feedback and participation. Cost efficient, readily updatable, searchable and interactive, the World Wide Web has greatly enhanced the capacity of PSBs to deliver their educational goals more creatively according to user needs. Designed to assist school age children with their homework, BBC Jam broke new ground here and proved so successful that commercial competitors recently had it pulled on the basis that it was damaging commercial competition, despite the fact that half production budget goes to independent producers (Kiss, 2007, p. 1).

The growing take-up of broadband Internet connection, which is being termed the digital revolution's second wave, heralds a new era of on-demand media, with television distribution via the Internet (Internet Protocol TV -IPTV), offering "always on" availability and global reach (Thompson, 2006, p.4). Unlike the first wave – the development of digital infrastructure by telephone companies, Internet service providers (ISPs), and governments -

the second wave is being driven by content provision and user take-up. On-demand refers to media content accessed across a range of platforms - TV, computer, mobile phone and pdas – and which is also “searchable, movable and share-able” (Thompson, 2006, p.5). Heralding a radically different relationship between content provider and viewer/user, on-demand media content is characterised its facility for personalization, its mobility, and the possibilities for interactivity and user-generated content (UGC) (Harrison & Wessels, 2005, p.835-836; Looms, 2007, pp 99-104).

These developments in digital technology and their impact on how audiences access media services is prompting PSBs to recast themselves as media content companies delivering their content as broadcasting, narrowcasting and on-demand. Rather than narrowcasting or on-demand services meaning the demise of broadcasting, they are extending the delivery of services resulting in more media rather than the death of any particular technology or form. So while the revenue model of free-to-air broadcasting might well be under threat, this due to the flight of advertising rather than viewers. Many of those broadcasters I interviewed suggested HDTV would reinvigorate public broadcasting in the future as big screens proliferate.

The trend for PSBs to reconfigure themselves as media content companies is bringing some fundamental changes. The comprehensive schedule has been a fundamental tenet of public service broadcasting, reflecting the expectations that accompany public funding and universal coverage by incorporating a broad range of programming - from serious and specific to popular culture forms. This approach also served the Reithian idea of moral uplift, “serving the public by forcing it to confront the frontiers of its own taste” (Smith, 1976, p. 63). The comprehensive schedule offered variety of genre and topic in prime time, serving social needs in various ways.

With the spread of narrowcasting the comprehensive remit became increasingly anachronistic. Since the 1980s, in the UK and US, and the mid 1990s in Australia, increases in the numbers of commercial competitors for specialist minority audiences has prompted mainstream PSB channels to pursue a populist approach - in an effort to shore up dwindling audience numbers as the mass audience fragments (Born, 2004, p. 64; Biltereyst, 2004, p. 344). In the US and across Europe pay channels such as Discovery, National Geographic and Nickelodeon have drawn away some of the traditional audiences of public broadcasters – those for documentary and children’s’ programming.

Along with dedicated niche channels, digital television also brings electronic program guides (EPG), enabling viewers to compile their own schedules, which might be comprehensive or focused according to individual interests. This is another contributing factor in the reinvention of PSBs as cross platform media content companies. While self-scheduling is undoubtedly an advance for viewers as consumers it obstructs one established function of public service broadcasting – its role as a public sphere servicing the needs of viewers as citizens. Viewers can now readily omit news and current affairs programming from their viewing and youth are increasingly doing just that. The loss of youth audiences to new media has been particularly concerning for PSBs which have had to engage with the challenge of making their services more relevant to youth to ensure their own future. Packaging PSB news bulletins for on-demand accessibility – as podcasts or vodcasts or as content for mobile phones - is intended to draw younger viewers back to public service media (BBC, 2004, p. 67).

### **Reinterpreting PSB Principles ...**

The process of reinvention begs the question of definition, which for public service broadcasting has never been straightforward. While Reith's holy trinity – to inform, educate and entertain remains valid it suggests little of the process apart from hinting at integration of all three. In exploring the digital reinvention I have adapted some of the principles commonly applied to PSB (Splichal, 2007, p. 27; Harrison & Wessel, 2005, p. 835).

Universal coverage - the provision of a free service accessible to all – is generally considered most important because of the social value of mass audience reach as a shared public space for public discourse – a public sphere. This principle prompts the question what constitutes a fair investment of public money in on-demand services given the digital divide and the exclusion of those who are not online. In the digital era, however, when media services and the media habits of the fragmented audience are so diverse, universality has to be addressed across the various media platforms. On-demand offers a new universality, and given costs to third parties may be involved universality now also requires continuation of free-to-air broadcasting. Georgina Born observes of changes at the BBC:

The BBC bequeathed by Dyke resisted the proposition that pay TV is inexorably becoming the norm, and it resists this at the level of distribution, channels and content. It resists the assumption that universality and minority provision are no longer salient (Born 2004, p. 486).

Secondly, impartial news & current affairs is an integral aspect of the civic role associated with the public sphere, which means independence from the vested interests of commerce or government. While proprietary partnerships associated with on-demand media might appear to challenge impartiality in news and current affairs, given this is generally the flagship of PSBs and integral to channel brands, the marketing needs of the on-demand era indicate the integrity of news will be quarantined from commercial influence. Brand identity will be critical to finding an audience in the IPTV environment where the volume of services is growing exponentially.

Thirdly, serving minority interests, which reflects the system's broader civic and cultural functions is a double-sided principle, including the representation of minorities to the mainstream and the servicing of the interests of minorities themselves, which has always been something of a tall order in the comprehensive schedule and another reason for claims of PSB redundancy in the 1980s. With digital terrestrial television (DTT), the Internet, IPTV, and on-demand content the problems of trying to serve the diverse interests of pluralist society on a single channel have been alleviated. Given political will, DTT facilitates the delivery of PSB content across multiple channels allowing broadcasters to tailor content to suit specific niche audience needs while cross-promoting public interest content to all audiences. Another valuable point of intersection for diverse audiences and interest groups is the always-on interface of PSB's portal websites. In this way the underlying ethic of the comprehensive schedule continues to be honoured in a manner that accommodates both the complexities of cultural fragmentation and the potential for personalisation that accompanies on-demand digital media.

Fourthly, the reflection of national culture and identity has been a particularly important role for PSBs in Australia and New Zealand where cost differentiation in media content prices, due to the larger domestic markets of the UK and the US, has meant a hefty

proportion of TV schedules feature imported content. This principle evokes various issues - serving national unity, serving as a site of contestation amongst the different cultural groups represented within a society, promoting the nation and redressing trade deficits. In the second wave of digital media, while still continuing to serve as a site of contestation for the various cultural groups and values within the nation, PSBs are taking on a broader role of defending national difference in the global marketplace. Once seen as undermining the national focus of PSB, this role now has greater cultural and economic relevance (Born 2004, 47). As global media conglomerates take advantage of the new economies of scale offered by digital media, public broadcasters are better positioned than national commercial media to keep national content on their nations' screens and also to promote national cultural product abroad through co-productions and co-ventures. Like the BBC and C4, the ABC and the SBS now both have a film investment arm.

The fifth principle, providing innovative "quality" content, again reflects the system's broader civic and cultural functions. Being wide open to interpretation, "quality" is a key challenge for public service systems in pluralist society (Nissen, 2007, p. 65-82; Born, 2004, p.79).<sup>ii</sup> It is most often interpreted in terms of non-commercial production values - optimising money on screen, optimising research and development, and engaging in creative risk-taking - and is applied in factual and narrative programming across popular and high culture genres. In the on-demand digital era, the implementation of quality as diversity and innovation is enormously advantaged by the various traits of digital media - personalisation, interactivity, searchability, user-generated content, shareability and mobility. This brings a new facility for cross-platform media projects that can, for example, integrate a television series with a participatory online project, in which viewers contribute, to produce an archive of public information that builds links between public media and other public institutions such as libraries and museums. In this way stronger community connections can be built and civic education served in ways previously unknown. One of the most groundbreaking innovations at the BBC, the Creative Archive Project is an online venture that will open up much of the BBC's past programming for non-commercial public use. Murdock describes this as "arguably the most important innovation in public service provision since its original foundation" noting that by allowing viewers to re-edit the content it "offers a massive stimulus to vernacular creativity" (Murdock 2004, p. 17). DTT channels offer PSBs a means of testing/trialing new content without risking audience decline. Similarly the Internet can be used to trial new concepts offering a new way of testing and building an audience for relatively low cost. C4's Four Docs and the BBC's Video Nation were both precursors to YouTube and MySpace, their clarity of purpose and richness of content reflecting a public service quality less available in commercial fare.

### **The resilience of national PSBs in the global media market**

On-demand media content that is globally available represents a considerable challenge for national media - both commercial and public service - and for policies intended to protect national culture. Public service media, however, has an advantage here. As trusted media brands renowned for their independence, public service broadcasters acquire new premium in the online environment where unaccredited and unreliable information proliferates. Publicly funded media remain best positioned to develop content that will make news and current affairs appealing to youth and also to address the digital divide by driving digital uptake, providing popular and quality content. As developed by PSBs new media also brings for

delivering community broadcasting, for personalised learning in the field of public education, for connecting communities (Harrison and Wessels, 2005, 836).

However, with the proliferation of digital media services PSBs are now facing new pressures for more rigorous systems of performance measurement and accountability. Tomas Coppens and Frieda Saeys (2006) note the trend towards public service contracts in Europe, where various efforts have been made to pin down what quality stands for and to measure broadcasters' performances with a view to making funding contingent on delivery of goals. In Australia at the ABC the battle over accountability has focused on "balance" with a new position, Director of Editorial Policies created in December 2006. While the BBC's 2006 charter has bought the introduction of a Public Value test in which public value of any new service is to be measured against its potential threat to the market. Whether such new measures prove advantageous or corrosive will depend on political will to maintain public domain.

## Endnotes

<sup>i</sup> UK digital uptake is also the world's highest and is expected to climb to 95% by 2010. Retrieved March 11, 2007, from <http://news.bbc.co.uk/2/hi/entertainment/5275718.stm>

<sup>ii</sup> Pluralist societies are those where the existence of different ethnic, religious or cultural groups is acknowledged and tolerated in the belief that such tolerance is socially beneficial. The concept of pluralist democracy acknowledges that rather than being a homogenous mass, the electorate comprises diverse lobby groups.

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