

Chapter Two:

Local Television Production, an Industry within an Industry Versus the Ratings System and Financial Constraints as Directed by Advertising Income:- A Blueprint for Economic Rationalism, The Natural Enemy of Social Capital and Community Responsibility:

Introduction:

This chapter examines how Local Television Production, (an Industry within an Industry) fought the constraints of the Ratings System and Advertising Revenue. The eventual loss by the local 'live' component provides a Blueprint for Economic Rationalism, the natural enemy of what can be termed Social Capital and Community Responsibility.

This chapter firstly provides an overview of local 'live' production in Western Australia, the effect on that area by Television Audience Rating Surveys and that function's further control of Station advertising income. The correlation between these three major components directed the course of commercial television in Western Australia, and therein lays the history of its progress. An in-depth analysis of this tri-partite influence constitutes the final three chapters of this thesis.

The theory and function of the Television Audience Ratings System is investigated and then to better understand this process; the beginnings of television advertising in the local setting are described. This includes the reasons behind the decision of those in charge of the first Western Australian commercial television station TVW7 to adopt a different method of advertising to their Eastern States' counterparts. This was the British method of 'spot' advertising, as opposed to the American system which favoured individually sponsored programs. A difference between 'production' and 'sales' people was demonstrated by an observed reticence by the latter to participate in providing information for this thesis. The difference can be nominated as that which occurs between art and commerce. It is the basic concept of creating as against that of accumulating.

The Importance of Local ‘Live’ Production:

In the early years of its existence, television in Australia was seen as ‘largely local in structure and character’¹ Therefore, a little more investigation would have been useful, before Hartley wrote concerning Western Australian television in 1990, ‘If local production has a future - it certainly has no past - then it must look to the long term organization of broadcast TV.’² The second phrase of this statement would certainly come as a surprise to the hundreds, if not thousands, who were party to the medium of commercial television and most particularly local production during the first thirty years of its existence in Western Australia. There has been a marked tendency for the medium of television to be regarded in a derogatory manner by those who have written about the ‘arts’. In *farewell cinderella*³ Shoesmith and Edmonds, limit their examination of television in Western Australia to six pages, (in comparison to twenty-nine pages on radio) and reference to local production, to just one line.⁴

When television came to Western Australia on 16 October 1959 three years after its inception on the East Coast of Australia, only 3,300 television sets were operating although it was estimated that 70,000 were watching on the first night.⁵ Part of the presentation was a ‘live’ studio-based variety show. In Western Australia, for approximately the first thirty years of this period, local live production was seen as an integral part of the industry, providing employment, opportunity for personal artistic portrayal and a positive ‘link’ between disparate sections of the general community. From the start the main issues revolved around matters of economics, whilst the wishes of those who viewed the new medium from an

¹*Localism in Australian Broadcasting A Review of the Policy*, Department of Communications, Australian Government Publishing Service, Canberra, 1984, p.8

² John Hartley, *Creating a Television Discourse*, Ph.D. Thesis, Murdoch University, Murdoch, 1990, p.273.

³ Brian Shoesmith and Leigh Edmonds, ‘Making culture out of the air: Radio and television’, in *farewell Cinderella*, Geoffrey Bolton, Richard Rossiter and Jan Ryan, (eds.), University of WA Press, Crawley, 2003, pp.231-236.
The program was Spotlight. See Chapter Five - Tonight Shows, p.

⁴ Ibid, p.235.

⁵ Sue Turnbull, ‘Figuring the audience’, in *The Australian TV Book*, Graeme Turner and Stuart Cunningham, (eds), Allen & Unwin, St. Leonard’s, 2000, op.cit., J. Hartley and T. O’Regan, ‘Quoting Not Science But Sideboards’, in *Tele-ology: Studies in Television*, Routledge, London, 1992,

artistic viewpoint in regard to televised content and its production were relegated to second place.⁶ This policy has prevailed and along with ‘net-working’ and technological advances has been the main reason for the decline in local production in the less populated cities of Australia. This tendency was noted and commented upon in the 1970s⁷, and according to some observers, the main centres of production in Sydney and Melbourne are destined towards the same end.⁸ In commenting upon the absence of change in Australian productions, Jones and Bednall were using the term ‘local’ as meaning Australian.

As Australian television looked forward to its 20th anniversary, it was sometimes unkindly stated that we would not have had 20 years of television, but one year 20 times...⁹ On the other hand, the very demands of the medium for material, and the desire of the audience for a degree of variety, have ensured that there has been development over the years, in particular, in local production.¹⁰

At its inception Western Australian TV exhibited a deep commitment to the community in general and thereby to the contemporary arts. In its first year of operation TVW Limited Perth submitted that the live local production factor would be dominant at 41%. This was because of the fact that it was economically viable to maintain such a high level. It was not until the advent of satellite communication and networking that the cost factor really decimated local production. The ‘ratings’ factor doomed specific programs but they were usually replaced with another local product. In Perth the local productions which survived due to good ‘ratings’ fell victim to the pressures of the corporate entity. Windschuttle was one of the first to refer to “economic ‘rationalism’” in those exact terms.¹¹ It became cheaper to produce programs in Sydney and Melbourne for immediate dissemination throughout the rest of the country. A large contributing factor was the Federal Government’s television agency’s

⁶ ‘Television the great Communicator’, in *Australia’s Heritage*, Hamlyn House Pty. Ltd., Sydney, 1971, pp.2277-79.

⁷ Sandra Hall, *Supertoy*, Sun Books, Melbourne, 1976, p.5.

⁸ Brooke Williamson, ‘Days numbered for Australian TV shows, stars’, *West Australian*, 22 May 1999, pp.56-57.

⁹ Colin Jones and Colin Bednall, , *Television in Australia Its History Through The Ratings*, Australian Broadcasting Tribunal Research Report, Government Print, Canberra, 1982. p.32 [this comment is usually attributed to Phillip Adams.]

¹⁰ Ibid.

¹¹Keith Windschuttle, *The Media*, Penguin Books, Ringwood, New Edition 1988, p.59.

insistence on minimum local (meaning Australian) broadcast content.¹² This worked in reverse for 'local' (meaning Western Australian) enterprise and together with later networking, technological advance and corporate greed brought about an almost total cessation of 'in studio' television production in that State.¹³

As observed by Windschuttle, citing Fiske and Hartley, the concept of community responsibility bordered on the obligatory.¹⁴

In their book '*Reading Television*' (1978) John Fiske and John Hartley have argued for a functional approach that has similarities to the case I made earlier, in that television has a bardic function. They write. 'Just as the traditional bard or balladeer rendered his community's values and interests in verse, 'television renders our own everyday perceptions into an equally specialized, but less formal, language system'¹⁵

Live local production had its 'golden' era in the late 70s and early 80s when both TVW7 and STW9 competed in producing local output. Some series were sold to the Eastern States and internationally.¹⁶ However, that era came to an end when the Holmes a' Court interests took over Channel 7, and the Bond Corporation swallowed up Channel 9.¹⁷ Despite contemporary pressures, Channel 7 management locally has fought to keep some fragments of its past involvement by way of occasional 'specials', the annual 'Telethon' and a weekly football 'variety' program.¹⁸ In 2002, the successful *It's Academic* has been resurrected. Channel 9 still telecasts an 'advertorial' type program in 'Post Cards'. Two other similar programs involving the motor trade and real estate are financed by those sources and produced by an independent company.¹⁹ There are still private production houses such as 'Elephant' who are fully engaged in making TV commercials, special projects and training films but no scope is

¹² See Chapter Three on Regulation, p.??

¹³ Brooke Williamson, 'Days Numbered For TV Shows, Stars', *The West Australian*, 22 May 1999, pp.56-57

¹⁴ See Chapter Four on Community Responsibility.

¹⁵ *Ibid*, p.183.

¹⁶ Bill Bowen, former Production Manager STW 9, personal communication, 27 August 1999.

¹⁷ Laurence Kiernan, 25 May 1999.

¹⁸ Richard Ashton, 17 August 1999.

¹⁹ John Barnett, TV Presenter and Producer, personal communication, telephone, 15 August 1999.

seen for the production of 'series'.²⁰ Contracted production houses cover any involvement with 'outside broadcasts'.²¹

It is difficult to argue with the premise of Chris Barker, who wrote in 1997,

Television is globalized because it is an institution of capitalist modernity while at the same time contributing to the globalization of modernity through the world-wide circulation of images and discourses. [and]

The globalization of television is an aspect of the dynamism of modernity inflected with the logic of capitalism. Capitalism is a system of commodity production premised upon the private ownership and control of the means of production whereby the owners of the means of production employ wage labour to produce commodities, which have exchange value, for sale in the market.²²

Barker quotes Rupert Murdoch, the hallmark of globalization, as having written in the *Observer* in 1993,

I would see us buying world-wide sporting events that will go right around the world, great musical events, making programmes for a world audience. We will need local programming as well of course but synergies will exist in special events... This is encouraged by the spread of world-wide marketing companies, the toy companies, car companies, food and soft drink companies who can provide a one-stop shop²³

Total Australian Production in TV is a contracting process and eventually may fall victim to globalization. Information, 'reality' TV and sport will rule. 'In the future 'quality programs' will depend less on a nod and a nudge from a regulator and more on funds and organizational structures that grow up alongside and within a more conventional, internationalized, industry structure.'²⁴ There are others who do not entirely agree that financial considerations will direct the course of world media. For instance Cunningham and Jacka assert that Globalisation's main threat is in its ability to shift the basis of communications control from sovereign states' governments to centralised command centres, who will then have power

²⁰Keith Woodland, former Producer Children's TV, STW 9, personal communication, interview, 18 August 1998.

²¹Stephanie Bansemer-Brown, Publicity & Promotions Manager Channel. 10 Perth, , personal communication, interview 1 June 1999.

²² Chris Barker, *Global Television An Introduction*, Blackwell Publishers, Oxford, 1997, p.13

²³ Ibid, p.59.

²⁴*The Question of Quality*, Geoff Mulgan (ed.), British Film Institute, London, 1990, p.30., cited in Robin Nelson, *TV Drama in Transition*, Macmillan Press, London, 1997, p.1.

over the dissemination of information.²⁵ This could lead to the formation and control of political acceptance amongst the subject nation's population. In 2003 there has been evidence of just such a process with events connected with the War Against Terrorism. Regardless of whether or not certain actions undertaken by 'The Coalition of The Willing' are right or wrong within themselves, the medium of television has been used with great effect to direct the attitudes of people in Australia towards the acceptance of these actions. It will be difficult if not impossible to reverse current trends in communications globalisation because,

Since the sixteenth century at the latest, exploration and colonisation had begun to link points on the entire globe; transport and communications technology had always played a crucial role in this linking and in the consequent spread of the capitalist mode of production and of cultural modernity.²⁶

In 1990 Hartley asked the question and provided the answer,

So who does want local production? Why, local producers of course. Unfortunately for them the logic of the TV industry is that there's no such thing as a local producer. Even the Perth TV stations, both commercial and public, are caught in this logic in the wake of national networking, never mind the independents. So it's not much good knocking on their doors, or their access windows, to remedy a situation over which they have little and decreasing control. Have you ever tried arguing with a check-out assistant about company policy?²⁷

In 1999 Howson said,

We are now well and truly in Phase 3 in the life of a television station, 'The Grim Reaper'. Over the last few years as networking has become more prevalent, hundreds of personnel have been sacked in the interests of economy. In the interest of making bigger profits, and technical developments have aided this practice. It doesn't take as many operatives to run a station as it did, especially when the bulk of the material is coming off videotape, produced by a production house, elsewhere. One central

²⁵ Stuart Cunningham and Elizabeth Jacka, *Australian Television and International Mediascapes*, Cambridge University Press, Melbourne, 1996, p.14

²⁶ *Ibid*, p.7

²⁷ John Hartley, 1990, p.273.

television outlet could serve the whole of Australia, and at times it does. It seems certain that 'Free To Air' television is doomed. If you listen carefully you can hear the death rattle now and it is certain that local programming lives or otherwise is a dinosaur, a thing of the past. Well, almost anyway!²⁸

Whilst business as such has always had the propensity to cut 'dead wood', there are few industries which have had a built-in whipping-boy such as the Production Department has been for television. The other departments of Advertising Sales, News, Engineering and in the early days Film, all required a certain stable number of employees for their operation. This did not apply to Production Departments. When economic stress appeared (and this was instantaneous as the advertisers placed their commercials according to the best areas as denoted by the ratings) the quickest way to save money was to dismiss on-camera persons, camera crews, writers, floor managers, producer/directors and musicians. Although a basic skeleton staff was always necessary, the numbers of people involved in actually producing programs was dependent on the theorem.

Advertising Income

**Television Audience
Survey Ratings**

Financial Returns

Number of Viewers

**Managerial Attitudes
towards Investment in
Social Capital and
Community Responsibility**

**Quality of Programs
Both Produced
and Imported**

**Expenditure on Local (Live)
Production and Outsourced Programs**

²⁸Denzil Howson, former Production Manager STW 9, taped communication, Melbourne, May 1999. Howson started in Melbourne television at the time of its birth in 1956 as a scriptwriter for the *In Melbourne Tonight* (I.M.T.) shows which produced the likes of Graham Kennedy and Bert Newton. He was appointed Production Manager of STW Channel Nine in late 1965, returned to Melbourne in 1971 and at the age of eighty years still writes for television. Always a performer (on both radio and TV) he was the Factory Owner on *The Sullivans* and recently the manager in an 'Officeworks' television advertisement.

Number and Expertise of Employees

The Ratings:

From its inception television has been monitored by a procedure known as ‘ratings’, whereby booklets containing the programs for a specific period were distributed to households, presumably at random. In 1991 this system changed to having electronic recording devices attached to TV sets.²⁹ As Jock Given says that ‘Audiences are the product that television advertisers buy...’³⁰ it is not surprising that a lot of money has always been spent in finding out what the audience is watching. Stockbridge describes the terms and workings thus,

The word ‘rating’ refers variously to:

The percentage of households that are tuned to a particular station at a particular time
Target Audience Rating Points (TARPs), the percentage of the target audience tuned to a particular station at a particular time; and Share, the percentage of households or audience tuned to a particular station at a particular time, when calculated against only the homes that have a television switched on. The statistics used in this chapter refer to shares. For example, a share of 32 for *Dawsons Creek* means that 32 % of those watching TV in that area are watching *Dawson*.³¹

In 1985 Beville described ratings in this manner, ‘Just as the human nervous system controls all human functional activity, so do ratings control every functional activity in the broadcast industry.’

When surveys were conducted by the use of issued booklets, the viewer in charge was requested to meticulously record when the television set is operating and which programs were watched. It followed that those allotted the task on a recurring basis (children, Dads for the News, Mums for the later evening shows) did not keep to the instructions to fill out the survey booklets in fifteen minute blocks and the job would inevitably fall to the Mums to do

²⁹ Jock Given, ‘Commercial networks: Still the Ones?’, in *The Australian TV Book*, Graeme Turner and Stuart Cunningham (eds), Allen & Unwin, St. Leonards, 2000, p.37

³⁰ Ibid.

³¹ Sally Stockbridge, ‘The strategies of audience capture: The case of Network Ten’, in *The Australian TV Book*, Graeme Turner and Stuart Cunningham (eds.), Allen & Unwin, St. Leonards, 2000, p.190

so by memory.³² Neither the method of recording nor the results were of much interest to anyone outside of the immediate television and advertising worlds, and there was great margin for error. However, the purveyors of saleable commodities accepted the averages. Turnbull said that to the 'book' survey conductors (McNair, Anderson and finally their successors AC Nielsen), the viewer was any one person in the same room with a TV set operating.³³ 'The 'viewing' figures thus produced, commonly referred to as the 'ratings' constitute the 'currency' which networks and advertisers use to sell and buy air time.'³⁴ A specific 'rating' refers to the number of viewers shown as a percentage of available homes in a given area with a television set. So a particular 'rating' indicates how many homes were watching a particular program at a certain time, and constitutes a percentage of the total number of TV equipped homes in a specific coverage area.³⁵

It has been said that, 'It is important to understand that ratings are intended primarily to give information to advertisers. Ratings are not designed to measure the popularity of a particular program, that is, how well it is liked or how happy the public is with it.'³⁶, and 'The ratings are not a measure of the quality of the programs, nor necessarily of the degree of people's liking for them but purely a quantitative measure of the amount of viewing of particular programs.'³⁷, '...ratings...do one thing only: they determine the popularity of one particular program relative to another at a given point of time.'³⁸ and '...ratings are about bums on seats, not minds in gear...'³⁹ However, the theory is that if a program 'rates' well in terms of

³² Len Ang, 'Stalking the Wild Viewer', *TV Times 35 Years of Watching Television in Australia*, Denise Corrigan and David Watson (eds), Museum of Contemporary Arts Sydney, Southdown Press, Melbourne, 1991,p.37

³³ Sue Turnbull, 'Figuring the audience', in *The Australian TV Book*, Graeme Turner and Stuart Cunningham (eds), Allen & Unwin, St. Leonards, 2000, p.176.

³⁴ Ibid.

³⁵ Kirsten Schou, *The Structure and Operation of the Television Industry in Australia*, Australian Film and Television School, North Ryde, 1982, p.10

³⁶ Keith Windschuttle, 1988, p.63

³⁷ Colin Jones and Colin Bednall, , *Television in Australia Its HistoryThrough The Ratings*, Australian Broadcasting Tribunal Research Report, Government Print, Canberra, 1982.

³⁸ Susan Kippax and John P. Murray, *Small Screen, Big Business The Great Australian TV Robbery*, Angus & Robertson Publishers, Australia, 1979, p.47

³⁹ Phillip Adams, 'TV Tastes? We'll take the low road' in *The Weekend Australian*, 30 December 1995, p.26.

viewer numbers, then the advertisers will spend their money to sell their 'goods' during the period when the program is 'going to air'. This ensures that the program will be supported by the television station and have a long 'run'. An un-named writer for the Department of Transport and Communications said,

The commercial stations in Australia have been at pains to tell us that viewers are satisfied with what they get on television. People watch it, they say, so they must like it. They argue that the ratings prove that the programmes presented are what people want; that the viewing public doesn't want anything different from what is now being offered; and that existing programmes are satisfactory in quality, type and subject matter.

The ratings establish no such thing. They do one thing only; they determine the popularity of one particular programme relative to another at a given point of time. They provide information about what people do, not what they want.⁴⁰

Ratings periods varied throughout Australia, but in 1981 Sydney and Melbourne were under scrutiny for 32 weeks, Adelaide and Brisbane for 28 weeks and Perth for 24 weeks.⁴¹ In 1990, the ratings survey books were replaced by electronic devices installed in homes and connected to the telephone system. The results were encoded and sent to central computers for analysis on a daily basis. There is also an 'in-home' interview to establish the demographics of those who use the television at certain times.⁴² In the year 2000 there were 2000 of these people-meters in use in metropolitan centres throughout Australia.⁴³ The change brought about by technological advancement showed that the ABC may have suffered adversely under the old system. Muir said, 'Typically, under diaries, the ABC accounted for about 10% of all television viewing. under peoplemeters, this rises to about 15%.⁴⁴

Unfortunately for those concerned, the historical pathway of the medium is littered with the failed aspirations of those who deemed themselves to be 'local producers'. In the early 1970s, Raymod Williams observed,

⁴⁰ *Australian Commercial Television 1986-1995*, Bureau of Transport and Communications Economics, Australian Government Publishing Service, Canberra, 1996, p.47

⁴¹ Kirsten Schou, 1982, p.10

⁴² David Fare, personal communication, interview, NEW10 Dianella, 23 September 2003.

⁴³ Jock, Given, 1998, p.37

⁴⁴ 'Ian Muir, 'Understanding and Managing Audience Demand', in *Case Studies in Australian MEDIA MANAGEMENT*, Elizabeth More and Keith Smith (eds.), Macquarie University Graduate School of Management, North Ryde, 1992, p.158

[t]he ‘commercial’ character of television has to be seen at several levels: as the making of programs for profit in a known market; as a channel for advertising; and as a cultural and political form directly shaped by and dependent on the norms of a capitalist society, selling both consumer goods and a ‘way of life’ based on them.⁴⁵

In 1997, a retrospective assessment by Papandrea concluded that,

Profit maximisation implies that broadcasters will attempt to maximise the revenue from, and minimise the cost, of their operations. The imposition of binding regulation forces broadcasters to modify their behaviour in a way that prevents unrestrained pursuit of profit maximisation. Compliance with binding regulation may reduce potential revenue (for example, limits on advertising time), increase costs (for example, Transmission standards) or both (for example, program requirements).⁴⁶

In 2003 Frances Bonner held much the same opinion, in saying ‘Scheduling is a practice that is concerned to maximize channel revenues by placing programmes in the ‘right’ spot, and that involves allocating time in terms of persistent perception of the viewers as grouped in households which include children’⁴⁷

In 1999 a former TV executive offered the following,

The ‘god’ the TV stations pay homage to is not that God that’s mentioned in that old book called The Bible, but a ‘god’ called Ratings Surveys and if your station doesn’t rate well, the axe is called for and no-one is immune, not even the General Manager of the station. The Chairman of the Board sees to that! It’s ruthless, it’s cut-throat, in other words it’s like any other business. There’s a saying in the industry, ‘Ahh, don’t bother to bring your lunch mate, you probably won’t be here by lunch-time!’⁴⁸

⁴⁵Raymond Williams, *Television: Technology and Cultural Forms*, Fontana, London, 1974, pp:42-43, cited in Robin Nelson, *TV Drama in Transition*, Macmillan Press, London, 1997, p.5.

⁴⁶ Franco Papandrea, *Cultural Regulation of Australian Television Programs*, Bureau of Transport and Communications Economics, Australian Government Publishing Service, Canberra, 1997, p.23

⁴⁷ Frances Bonner, *Ordinary Television*, SAGE Publications, London, 2003, p.39

⁴⁸ Denzil Howson, Production Manager, Channel 9, Perth, 1965-68, personal communication, May 1999.

Once again, reference to the foregoing confirms my theorem from another starting point.

Television Audience Survey Ratings

Number of viewers

Advertising Income

**Quality of Programs both
Produced and Imported =**

Financial Returns

**Number and Expertise
of Employees**

**Managerial Attitude towards
Investment in Social Capital and
Community Responsibility**

Expenditure on Local Production and Outsourced Programs

Along with most other areas of contrived consumerism, the television world has had to cope with Economic Rationalism. Centralisation of television business activities has affected all areas of the industry and advertising staff has been down-sized in the local Western Australian setting, but not anywhere near as has been the personnel concerned with local 'live' production⁴⁹ The advertising ranks have been decimated but the production people have been annihilated.

Early television audience surveys, 'Ratings', were developed to give an indication of viewing patterns. They did not necessarily reflect a precise picture of reality. However, the recording by viewers (in booklets provided by 'Survey' companies) of programs that were watched, did provide 'ball-park' figures. These results were used in the main by television stations to gauge selective popularity of individual transmissions and by advertisers and their agencies in the placement of commercial content. The end of the period examined by this thesis coincided with the introduction of electronic devices which truly recorded information as to

⁴⁹ *The West Australian*, Perth, 6 September 2003, p.10

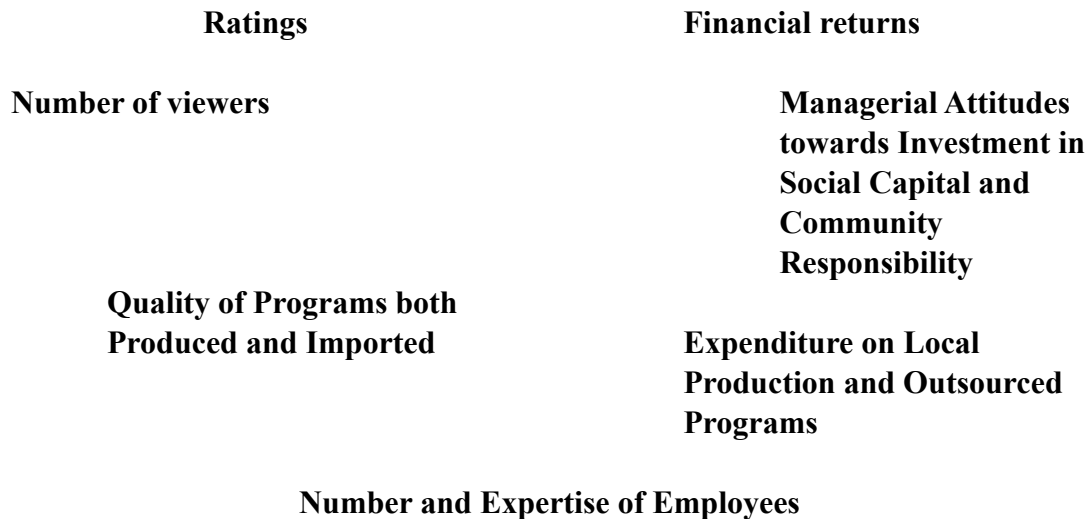
'As jobs go at TVW7, veterans tell Pam Cassellas that Perth television will never be the same'
'News this week that Seven plans to cut 40 staff'

which station a particular television set was tuned at any given time. However, there was no way of knowing whether or not there was anybody watching the set.

Television Advertising Methods in Western Australia:

Once again, the ‘round’ is best displayed in my theorem,

Advertising Income



In 1980, Williams said that advertising was ‘...the official art of modern capital society’.⁵⁰ Kippax and Murray observed that at the same time in Australia, the viewing audience was conceptualising the proposition that not only certain items of consumption were being sold on television, but a ‘life style’ as well.⁵¹ In referring to the statement by Lord Thomson of Fleet that commercial television is a licence to print money Kippax & Murray said, ‘More accurately, a TV licence is a permit to collect money in return for transmitting advertisements.’⁵² Bessen observed, ‘That television stations are frequently seen as sellers of advertising time and purchasers of programming should not obscure the fact that the basic service a station sells is the use of its time.’⁵³ Commercial broadcasters combine this air-time

⁵⁰ R. Williams, ‘Advertising: The Magic System’, in *Problems in Materialism and Culture*, R. Williams (ed.), Verso and New Left Books, London, 1980, p.184

⁵¹ Susan Kippax & John P. Murray, *Small Screen Big Business The Great Australian TV Robbery*, Angus & Robertson Publishers, Sydney, Australia, 1979, p.6

⁵² Ibid, p.21

⁵³ Stanley M. Bessen, *The Value of Television Time and the Prospects for New Stations*, John and Mary Markle Foundation, Santa Monica California, 1973, p.2

with presenters, actors musicians, producers, directors and writers; those who work in the technical area and the particular station's studio facilities. Management endeavours to present this composite in such an appealing format as to gain viewers who will be the target of the commercial messages. By selling the air-time to advertisers, the finance necessary to perpetuate the process is sourced.⁵⁴ '...the station actually sells *viewer* exposure...'⁵⁵ Without doubt, commercial television must have advertising to sustain itself, although in 1971 John Murray thought that there should be a better way when he mused, ' "What's wrong with us?" cry the critics. "Half the world is starving and we spend millions of dollars a year putting on programmes which don't contain one useful thought in order to sell goods that we don't really need!"⁵⁶

Jock Given contends that while the overall exercise of a commercial television station is to sell air-time, the actual commodity being traded is '...access to the thoughts and emotions of people in the audience'⁵⁷ Therefore the primary product that is sold to the advertisers is the means of accessing audiences.⁵⁸ There are not many people distanced from a television set at any one time and so the possibility of contacting a potential buyer or user is always high. This explains the allure of television advertising to '...an advertising agency, say, or a political candidate...'⁵⁹

Although the sponsorship system was tried and tested and would have brought more speedy monetary gains the TVW7 Directors claimed that their decision not to adopt the method was in part due to the following,

(a)With five new commercial stations coming on the air about the same time it was not un-natural for TVW7 to wonder how far the advertising appropriations would stretch. On past experience it was reasonable to assume that if any city suffered it

⁵⁴ Ibid.

⁵⁵ Ibid.

⁵⁶ John Murray, *The Box In The Corner*, Georgian House, Melbourne, 1971, p.2

⁵⁷ Jock Given, 2000, p.36.

⁵⁸ Kirsten Schou, *The Structure and Operation of the Television Industry in Australia*, Australian Film and Television School, North Ryde, 1982, p.9

⁵⁹ Edwin Diamond, *The Tin Kazoo, Politics and News*, The Massachusetts Institute of Technology, Massachusetts, 1975, p.13

would be Perth. Also other States would now be sold on a network basis, and unless TVW7 joined them, they would be the losers.

b)Because of distance and high freight charges, a fair number of national advertisers do not merchandise in Western Australia. This would reduce the amount of money spent on television in Perth.⁶⁰

The alternative advertising method that was being used in British Television was the Participating Spots System. Under this, individual advertisements can be placed in specific segments, which were usually periods of one hour. The advertiser has no control of the exact time that the advertisement will go to air, unless they pay a special loading fee. This system therefore allows for a greater number of advertisers to participate in peak hour transmission.⁶¹

TVW7 claimed that the system had been accepted by almost all advertisers and advertising agencies. Only two advertisers objected to the Spot System. One was a national advertiser who accepted the situation after explanation and the other (a large retailer who had been part of the unsuccessful bid by Western Television Services to gain the first licence)⁶² did not place advertising with the new medium when they were refused total sponsorship of *Disneyland*. After seven months on-air TVW7 was selling half of its available 'space' and it was explained that this was due to the fact that the Spot System could not be 'hard-sold' in the manner of Sponsorship deals. The Directors of TVW7 believed that eventually the former would replace the latter in Australian commercial television and this has been the case. In May 1960 the number of individual advertisers was incremental at the following rate, February 108; March 117; April 134.

Television advertising in the Eastern States was initially on the American pattern of programme sponsorship, wherein the viewer is led to believe that the advertiser 'owns' the programme, as in *Caltex Sunday Theatre* or *The General Motors Hour*.⁶³ There were usually

⁶⁰ *Report on Independent Television Station TVW Channel 7, Perth Western Australia, 16 May 1960, pp.32-33.*

⁶¹ *Ibid.*

⁶² *Ibid* [Probably Boans Department Store.]

⁶³ *Report on Independent Television Station TVW Channel 7, Perth Western Australia, 16 May 1960, pp. 31-32.*

two charges for such an arrangement; one being a time rate for half-hour or one-hour sponsorships and the other a fee to cover royalties and other import costs. In the first instance the sponsor would receive three minutes of air-time during the half-hour plus opening and closing credits. The TVW7 Directors decided not to adopt this system.⁶⁴

Percentages of national and local air-time placement were, National: 72.7%; Local: 27.3%.⁶⁵ Fisher provides a different assessment of the introduction of the Spot System in which he says that TVW7 Advertising Manager the late Brian Treasure worked out the advantages and implemented the system.

An advertising budget is finite, and its deployment amongst the geographically diverse market places must be governed by assessments of potential returns. With nearly all national advertisers headquartered in either Sydney or Melbourne, these markets seemed to be most profitable.⁶⁶

⁶⁴ Ibid.

(1) Within networks, strong programmes are sold for sponsorship on a network basis. That is, the large stations in Sydney or Melbourne often sell a programme to a sponsor not only for Sydney and Melbourne, but also for Adelaide and Brisbane. If Perth adopted a sponsorship system the networks would want to include Perth in a national sponsorship buy. Clearly in dealing with the two networks, this would have placed TVW7 in an embarrassingly difficult position and most certainly would have complicated if not nullified, the station's right of free choice of all its advertising and programmes.

(2) TVW7 had to bear in mind that in most time channels on Eastern States' television there are two sponsors -- one on each station. Obviously TVW7 could not take all the programmes. If TVW7 took one programme and its sponsor, but could not place the other programme, even in another time channel, its sponsor would not be able to secure suitable time. In short, a sponsorship system would automatically limit the number of peak-hour advertisers. Once this time was sold no other advertiser would be able to secure peak time unless someone dropped out. Therefore, in a single commercial operation the sponsorship system would be even more unfair to advertisers than they claim it is now in a two-station area; it would satisfy only those who got in early and secured good times. It is important to note that at the present time TVW7 has 110 peak-time advertisers and there is room for more. Would this be possible with sponsorship?

(3) Another point TVW7 had to consider was the availability of good times for local advertisers. Under a sponsorship system the peak times would have been quickly taken up by the substantial national advertisers and local advertisers would have had little chance of getting in. Because strong local supports looked to be essential to TVW7's future, a system was sought which would give local advertisers a chance of participating in peak times. A study of local appropriations satisfied TVW7 that few Perth advertisers were financial enough to use television on a sponsorship basis. If they used the medium early, it is possible some could have secured sponsorship of programmes in peak times, but the smaller advertisers could not have hoped for peak times, and may not have bothered with television. It is of interest to note that at present there are 33 regular local advertisers on TVW7 in peak viewing time.

(4) Yet another point was that TVW7 wanted to ensure it had complete control if [sic] its programmes and programme policy – control without the possibility of interference from any source. While the ethics and principles of a very great proportion of advertisers and agencies are beyond question, there have been occasions when unprincipled advertisers have endeavoured – usually without success – to influence the editorial or programming policy of media under the threat of withdrawing their financial support if their demands were not met. Though it is not suggested sponsors are doing this in the Eastern States, there is little doubt the sponsorship system is open to this type of abuse, particularly if a station is not going well financially

⁶⁵ Ibid., p.38.

⁶⁶ Eric Fisher, former STW9 Advertising Salesman and later General Manager, 'The Introduction of Television Into Western Australia', *The Moving Image*, 1974, p.59.

With only 7% of the national audience being available as customers in Western Australia, the allocation of funds for advertising through the Sponsorship System would have been severely restricted to the Eastern seaboard. People with goods or services to sell did so through an Advertising Agency or Media Buyer and less frequently, directly themselves.⁶⁷ The ‘life-blood’ of commercial television is advertising revenue, but to the early participants in that area of the industry, they did not see themselves included in what can be termed the ‘glamour’ of the industry. Those few who are still contactable displayed a reticence to be seen as more than integral parts of the money-making arm of television activities. Whilst TVW7 salesmen only had to pick-up orders from agents and direct advertisers and place the advertising for their clients, their STW9 counterparts had to really ‘sell’ the new station to potential customers.

In all capital cities the commercial television transmissions were monitored by independent agencies, set up to ensure that the advertisers did receive that for which they paid. Observers timed each commercial with a stop watch and noted the exact times of transmissions. These records were supplied to and paid for by the participating Advertising Agencies. In Perth (through a good former working association with James Cruthers and Brian Treasure) the retired advertising manager of *The West Australian* Ron Christian and his wife Yvonne obtained the franchise to conduct this business.⁶⁸

The first Sales Manager at TVW7 was Brian Treasure and at STW9, Peter Conroy, a twenty-four year old radio advertising salesman, who after a stint in the Eastern States was offered employment with Australian Worker’s Union owned station in Perth, 6KY. When the Manager of that station Bob Mercer was appointed General Manager of STW9, he took his

⁶⁷ Jock Given, 2000, p.39

⁶⁸ Rodney C, Christian, personal communication, interview, 21 November 2003.

Sales Manager Peter Conroy with him. Conroy was of the opinion that generally speaking, STW9 management was sales orientated.⁶⁹

When STW9 first went 'on-air' in 1965 there were only three sales representatives, John Foote who eventually became Sales Manager for Western Australia, Eric Fisher who became STW9 General Manager in the 1970s and Milton Francis who represented the company in Melbourne for many years. Foote says that they were given the title of Sales Executive '...to give us the feeling of status on the level of Account Executives in an advertising agency.'⁷⁰

Before joining STW Channel 9 I had been a sales representative with Tedco Pty Ltd selling Hoover electrical products to retailers. I was selected from about 500 applicants after an interview with Bob Mercer (General Manager) and Peter Conroy (Sales Manager). The interview was held in a very small office on Great Eastern Highway, Rivervale.

I was 28 years old and was paid 30 pounds a week⁷¹ when we began to contact the Perth advertisers and advertising agencies. It was the end of 1964 and almost 5 years since TVW Channel 7 began transmission. This made our task very difficult as we came up against a lot of loyalty towards the more experienced station and advertisers were hesitant to spend money with us.

By the time I left the company in 1974 we had been successful in changing attitudes towards advertising with us. We still had a long way to go to equal Channel 7's revenue intake, but we were becoming profitable.

I had no previous experience in television, though I had been a radio actor with the ABC. I continued to be involved with theatrical activities, despite being carpentered by Laurie Kiernan when he discovered that I was in the process of directing a play in my spare time. He said I needed to be married to the station if I was going to be a successful Sales Manager. Had I taken his advice I am sure that I would not have been married to my wife for much longer. I had not been able to take a holiday for 3 years at a time.⁷²

Milton Francis was a master printer - letterpress machinist who was appointed to sales representative when STW9 commenced operating. His status as a State and Olympic rower probably influenced management's decision to employ him. Aged 32, his salary was £33.10.0

⁶⁹ Peter Conroy, former STW9 Sales Manager, personal interview, 15 April 1999.

⁷⁰ John Foote, former STW9 Sales Manager, written communication, 8 February 2002.

⁷¹ [Both Jeff Newman and Peter Harries were both paid twenty-five pounds per week. A shoe salesman for Boans Department Store at that time was earning twenty pounds per week.]

⁷² Ibid. [John Foote left STW9 to study theatre at the University of Colorado. He returned to Perth to lecture in drama. He claims to have 'coined' the term *Appealathon*.]

per week plus a company car. [By comparison, as a station ‘personality’ I was receiving £25 per week.] Francis was appointed Melbourne representative and remained in that position till he retired in 1987.⁷³

Eric Fisher said that his job entailed servicing the Advertising Agencies in quest of business placed through them and contacting by ‘cold canvass’, private clients who would deal directly with the station. An example of these was the proprietor of the large wholesale and retail butchers Tip Top Meats, Ray Williams. Fisher recalls having to talk the client out of using a photograph of a baby lamb, held in the arms of a little girl, to advertise a ‘special’ on lamb chops.⁷⁴ Fisher said that it was a difficult but personally rewarding job. He avoided the ‘after-hours’ socializing alluded to by Foote.

At the time many commercials were produced on a shoe-string budget, whereas today ‘... most commercials are now elaborately staged minidramas.’⁷⁵ Murray said that, ‘[commercials]... are the most expensive things appearing on television. In terms of the amount of thought and effort put into them, many are among the most creatively successful things on TV.’⁷⁶ and ‘As an aside, you might be interested to know that by regulation all advertisements appearing on Australian television must be made by Australian production companies.’⁷⁷ This was so in 1971 although local producers were worried about changes to the regulations as evidenced by this article in *The Age TV-Radio Guide*, 21 May 1970

“Australia’s commercial television channels – all 45 of them – are bracing to meet the call from the Broadcasting Control Board to increase local quotas. [of imported commercials] The channels have had an advance notice of the Board’s intentions, and several of them, it is understood are making representations on budgetary grounds...It

⁷³ Milton Francis, former Advertising Executive, written communication, 29 July 2003.

Francis was a ‘great bloke’ who remembers telling the General Manager ‘I thought Melbourne was the arse-end of the world just before he suggested I get to like it because that was where I was going!’

⁷⁴ Eric Fisher, former STW9 Advertising Executive and General Manager, telephone conversation, 15 July 2002.

[Fisher was a former top-rating Morning Show Radio Host who changed to sales as a challenge.]

⁷⁵ Martin Esslin, *The Age of Television*, W.H. Freeman and Company, San Francisco, 1982, p.15

⁷⁶ John Murray, 1971, p.73

⁷⁷ *Ibid*, p.78

is well known that the Board is under pressure from political, industrial and art groups to 'Australianise' the medium."⁷⁸

This was so and until 1991 it was a requirement of the Australian Broadcasting Board and later the Tribunal, that all commercial content had to be manufactured within Australia. After that time, relaxation of regulation provided the use of no more than 20 per cent foreign commercial content.⁷⁹

Current (2003) General Manager of STW9 Paul Bowen, who started working at the station as a 'sales representative' aged twenty-three said,

Well I think the style of Sales Department which existed then and exists today is markedly different...it is far more sophisticated today in as much as our representatives have access through the PC [personal computer] to the Station inventory. They can look at revenues, we can check about the return that we're getting on particular programs and so on. In the earlier days, perhaps in the earlier days, yeah there was more socializing. There was a lot of fun, there was a different way of doing business and it was important to be out there all day.⁸⁰

Bowen said that because of the technological advances, today's staff of about six advertising sales-persons had been reduced from a maximum of nine at any one time. When asked if today's people would be 'order-takers' as opposed to 'order-makers' in the past, he replied,

Well, if I raise that matter with the Sales people today they say, "Oh yeah, you come from a different era!", the people that we had in the seventies and the eighties were the right people for that time and I think the people that we have today are the right people. I think that the Sales people we had then would have been able to adjust to today. They could have done the job as well, but we, we worked and we lived in a completely different trading environment. The environment has changed greatly.⁸¹

In reply to a question if the Sales Staff would of necessity hold a university degree in Business Management, he replied, 'No, although of course today every one of those Sales people is computer literate. They're on top of technology...you have to be.'⁸² Bowen had no

⁷⁸ John Murray, 1971, p.124

⁷⁹ Australian Film Commission, *Get The Picture*, Star Printery, Sydney, 1998, p.90.

⁸⁰ Paul Bowen, former Sales Representative, current STW9 General Manager, personal interview, 18 September 2001.

⁸¹ Ibid.

⁸² Ibid.

training in salesmanship and said that Sales Staff were not interested in the Production side of television.

I think sales people and particularly direct sales people often find if I recall rightly, would find production a chore...we were more concerned with getting the revenue and then the hard work was, having the resources and personnel to put together the communication...⁸³

In answer to a question regarding Station orientation Bowen said,

Very Sales orientated. I can recall that at that time in 1973, whilst I was well down the line in terms of who was who at the station, we at Sales were well aware of the tenuous financial situation that existed at that time. Sure it was a two station make but, we were aware that, that financially things were pretty stretched.⁸⁴

Comparative costs to advertisers favoured STW9 and Paul Bowen said that ‘...there was a substantial rate differential between Channel Seven and Channel Nine... reflected in the fact that there was a substantial difference in the ratings of the two station at that time.’ On being asked ‘Would it have correlated equally...Did you work it out that way, so that the difference in the percentages of your audience would match the difference in the cost to the advertiser?’ Bowen replied, ‘Oh, I believe that may very well be, because today, because buying is far more sophisticated now than what it was then...’⁸⁵

In contrast to Paul Bowen, current (September 2003) NEW10 Chief Executive Officer David Fare, after working in the then Bank of New South Wales, in 1984 was granted one of two cadetships in the Advertising Department at TVW7. Aged 19, his immediate boss was John Wright⁸⁶ and Greg Byrne was Sales Manager. In 1987 he joined GWN at Bunbury and then through amalgamation of television interests, later that year was transferred to NEW10 to help to establish their business in Perth. Today, Channel Ten in Perth does not have a Production Department, but the Advertising Department has six representatives and four office staff. Total control is executed from Sydney with the Department Manager answering

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ Ibid.

⁸⁶ Director of Sales, TVW7, 2003.

to his superior in that city.⁸⁷ Fare said that with actual equality now existing between the three commercial stations in Perth, the advertising revenue is similarly equally distributed.⁸⁸

In the earlier years of television the regulation of the content of commercials was left to the discretion of the stations' Advertising Departments. At TVW7 there was a rostered duty at 4.30 each afternoon for Sales Representatives to view all advertising material submitted for telecasting. The moral dictates of the times precluded the use of offensive content, but complaints were taken very seriously and each was answered in writing.⁸⁹

In 1981 the Broadcasting Authority specified that between 7 and 10 p.m. (peak viewing time) there should be no more than 11 minutes of advertising in each hour, rising to 13 minutes an hour at other times. In children's time zones, the Federation of Australian Broadcasting Stations self-regulated their members to 'five minutes per half-hour'⁹⁰ which obviously looked better than 11 minutes per hour. The following is minutes in the hour expressed as a percentage of broadcast time over one week and demonstrates that the guidelines were breached.

Full week 1 p.m. to 11 p.m.

STW9	16.5%	TVW7	16.1%
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Saturday and Sunday 7 a.m. to 12 midnight.

STW9	11.6%	TVW7	12% ⁹¹
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In 1987 the Federation of Commercial Television Stations published a checklist for affiliated stations, to be followed in the production of advertising commercials.⁹² This was a detailed

⁸⁷ David Fare, C.E.O. NEW10, personal communication, interview, Dianella, 23 September 2003.

⁸⁸ Ibid . Confirmed by *The West Australian*, Perth, 24 September 2003, p.9. Ratings Survey for the third week of September 2003 showed overall that TVW7 and NEW10 each had 26.1% of Perth's prime-time viewers, while STW9 was on 25.9%.

⁸⁹ John Wright, Director of Sales, TVW7, personal communication, interview, 11 June 2003.

⁹⁰ Kirsten Schou, *The Structure and Operation of the Television Industry in Australia*, Australian Film and Television School, North Ryde, 1982, p.11

⁹¹ Ibid, p.12

⁹² *Television Commercials Production Checklist*, FACTS Commercials Acceptance Division, Sydney, 1987.

instruction containing guidelines for the use of a wide range of material from the Australian National Flag to Water Safety. Some of the more unusual instruction concerned the proper handling of Baldness – Treatment; Betting and Gambling; Caricatures; Contraceptives; Defacement of Property; Fortune Telling; Impersonation of Real People; Insecticides; Military Uniforms; Money Lending; Nudity; Personal Products; Self Defence Devices; Swimwear; Underwear and Vaginal Deodorants.⁹³ Under the sub-heading of personal products it was recommended that,

References to sexual behaviour, intercourse or prowess, overt or covert should be avoided unless they are an essential part of the message. If mentioned it must be with care and sensitivity and not in a manner which might offend. [ABT Standards]⁹⁴

This remains the practice in 2003.⁹⁵ The situation is now different, as all commercials are submitted by video-fax to the Federation of Commercial Television Stations – Commercial Acceptance Division for approval before transmission.⁹⁶

Paul Bowen also commented on ‘down-sizing’ in relation to advertising income. He said that compared to about 240 people on staff at STW9 at its peak, in 2001 the number is 150. He said that while a lot of the reduction had to do with technology, there was also the fact that methods of conducting business had changed. There was a time when forty to fifty percent of the advertising business came from the Western Australian market but that changed around 1990. Prior to that time, Perth’s remoteness meant a strong local market, but this was disrupted by computerization which led to centralization. Mergers and acquisitions then brought about a business activity polarization into Melbourne and Sydney. Many companies which conducted an advertising department in Perth, no longer do so. The companies include Toyota, Kentucky Fried Chicken, Jeans West and the Swan Brewery. Bowen went on to say that this was not good for Western Australia as now most of the marketing jobs and creative positions are located in Melbourne and Sydney. Local agencies would now handle only about 25% of STW9’s advertising business. Bowen voiced a plaintive wish ‘...and it’s not only in

⁹³ Ibid, p.(1) – (111)

⁹⁴ Ibid, p.21

⁹⁵ Ibid.

⁹⁶ John Wright, personal communication, interview, TVW7, June 2003.

advertising and in television, because what we don't want to become, is a translator station.⁹⁷ O'Regan said in 1993 that the independence of Australian television stations had been a basic strong-point and maintained control of both the advertising community and the threat from networks.⁹⁸ Most Australian regional stations are now affiliated with networks, accessing their programs and paying a fee calculated as a percentage of the user's advertising income. The latter retain the total amount collected from its advertisers. However, a not inconsiderable portion of that advertising is sold to the regional station for network dissemination. The controller of the network retains the screening rights for material acquired from the distributors.⁹⁹ By 1991 the shares of the advertising dollar were Newspaper 40.7% Television 35.3% Radio 8.7% Outdoor and Transport 5.8% Magazines 4.9% Other print 3% Cinema 1.6%.¹⁰⁰

From my personal experience I know that the main thing that television management resented (and probably still does) is criticism. In 1974, I was one of the judges of *Junior Spotlight* on STW9. It was a low budget, hastily contrived program and one day while commenting on a good performance by a girl singer, I said 'One of these days you will be on a properly produced show...' This throw-away line brought a written rebuke from the Station Manager Bill Bowen, telling me that when the station thought that it was in need of criticism they would do it without my help. Any future such utterances were to be 'removed by whatever means are necessary'. Barzyk, Davis, O'Grady and Van Dyke appear to be in agreement:

It follows that the "aims" of TV (to inform, educate, entertain) tend to be kept well inside the limits that we find as well in definitions of networks, programs, or even kinds of programs (news, drama, variety shows, game shows, to say nothing of commercials). We can also say, still speaking schematically, that its operation is homeostatic. Internal and external variations do not cast doubt on the system, which tends to perpetuate itself through the ratings...¹⁰¹

⁹⁷ Ibid.

⁹⁸ Tom O'Regan, *Australian Television Culture*, Allen & Unwin, St. Leonards, 1993, p.4

⁹⁹ Jock Given, 1998, p.43

¹⁰⁰ John Tulloch, 'Television', in *The Media in Australia Industries, Texts, Audiences*, Stuart Cunningham and Graeme Turner (eds.), Allen & Unwin, St. Leonards, 1993, p.196

¹⁰¹ Fred Barzyk, Douglas Davis, Gerald O'Grady and Willard Van Dyke, (eds), *The New Television*, The MIT Press, Massachusetts, 1977, p.208

Conclusion:

This chapter has shown the relationship between the 'artistic' and 'commercial' arms of television. Local Television Production (Industry within an Industry), essentially depended upon the outcome of ratings surveys for the survival of particular programs. The value of a program was its ability to create advertising revenue as assessed from its 'rating'.

It has been demonstrated that the method of advertising in Western Australian commercial television was chosen because it gave the greatest financial returns to the station. The wishes of certain Perth advertisers were ignored and in the main, local people accepted the situation. Acceptance by Eastern States interests took some time as they had been used to specific sponsorship deals. The 'spot' system now prevails Australia wide. 'Control' of advertising content has been a mixture of Government Agency direction and self-imposed standards. It has still to be proved whether these 'standards' were created (or changed) by society at large and followed by the forces of television or instigated in the main by the new medium and adopted by the audience.

In the early years of Western Australian the amount of money available for production was not entirely directed by survey results and programs were produced and aired for altruistic reasons to the benefit of the community. However, the Ratings System became a blueprint for economic rationalism, the natural enemy of social capital and community responsibility.

Peter Harries March 2004

