

PRIME MINISTER

27 October 1989

BRUCE GYNGELL

On Monday you see Bruce Gynge

He is particularly concerned about the possible effects of UK de-regulation in the light of the Australian experience. In Australia, the glamour of television ownership led to an overvaluation of the value of a license, a crisis, and in turn to cutbacks in which the viewer suffered. Three of the key players in Australian TV Bond, Packer and Murdoch - are also players here: TV am (Packer), Sky (Murdoch) and Bond (BSB).

You need to press him on why there has been such instability in the Australian broadcasting market. I gather that in Australia there is no quality hurdle which prospective license-holders must pass or accept. In addition, companies can own up to four or five TV stations.

These are crucial differences to what is proposed in the UK.

I do not know Bruce Gynge's specific proposals. But most proposals in this area seek to improve the chances of existing franchise holders retaining their licenses. If this is what he is really getting at then he needs to come clean.

BG

BRIAN GRIFFITHS