

# Inquiry into the competitive neutrality of Australia’s national broadcasters

## Submission – Barry Mitchell (21 June 2018)

### Question 8: Considering the commercial activities of the national broadcasters (e.g. where they are selling or purchasing goods and services), is there evidence that they have taken undue advantage of their government ownership, to the detriment of competitive outcomes?

Given that no complaint has been advanced from any of the commercial broadcasters, and given that the ABC in particular has specific responsibilities and remit to (for example) service regional Australia and provide emergency services, it is reasonable to suppose that any competitive advantage is neutralised by those responsibilities and the ABCs ability to create content in areas and regions that may not be otherwise commercially viable. There appears to be no evidence.

### Question 9: What is the differential impact of regulation on commercial and national broadcasters, and is there evidence of consequent adverse impacts on competition and outcomes?

Again, in the absence of any complaint, there appears to be no evidence. Adverse impacts would suggest that commercial broadcasters were in some way unable to compete or gain sponsorship in particular areas of content production or broadcast - but this appears not to be the case.

### Question 10: Is the reporting and accountability by the national broadcasters on their best endeavours to observe competitive neutrality adequate?

These measures appear to be more than adequate. Although Governments from time to time dislike particular content produced by national broadcasters due to their political context, and again, as there has been no complaint, it could be assumed that the issue of competitive neutrality is being used to attack the national broadcasters, particularly the ABC, for other reasons.

Question 11: Are you aware of any specific instances where the ABC or SBS may have received any other competitive advantage, due to their public ownership, to the detriment of a private competitor?

No.

### Question 12: The SBS Charter requires it to take into account the activities of the ABC and community television on radio and television. In the context of the competitive neutrality principles how in your view, is the SBS complying with this requirement? From your perspective does it adequately cover the activities of the SBS?

### Of course there is a potential problem with SBS, given its ability to seek and use on-air sponsorship, that its subsidy by the Government gives it some advantage over other broadcasters who rely on sponsorship. The best way to address this would be to fully subsidise SBS in order to enable it to cease on-air sponsorship.

### Question 13: From your perspective do the national broadcasters seek a balance between competing in the market and complementing the market? Is that balance the same for traditional broadcasting and for new digital platforms?

### This depends on the definition of competing. The ABC and SBS are only competing where they are potentially displacing other content providers on digital platforms with similar content. However there is no evidence that any potential competitor has been displaced or their ability to generate revenue diminished by the content provided by the ABC, which for the most part is not replicated elsewhere, but is of a standard higher than most other online content provided through broadly-based media companies. In fact, it could be argued that the ABC's presence in this area (specifically) helps to retain and improve standards generally.

### Question 14: Do you have comment on these guiding principles?

It is not clear to me that the general question regarding competitive neutrality is one that should be asked in this case. While in principle commercial organisations should not be competitively disadvantaged by a publicly funded one, it is accepted generally by developed nations in particular, that a Government-funded broadcaster/content producer is necessary to:

1. Provide independent and un-censored news and current affairs reporting and investigation

2. Provide services that are for the public good, but which may not be provided otherwise by organisations which have commercial priorities

3. Produce and provide content which enhances and reflects cultural/social interests of the country.

4. Set standards and maintain quality.

In other countries where they exist, these broadcasters/content producers have not generally been considered a threat to commercial broadcasters, even though they are in almost all cases subsidised to a higher per-capita extent than the Australian national broadcasters. As noted above, there are other agendas behind this inquiry, rather than the issue that is actually being addressed.