

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

## Submission – Lachie A’Vard (28 April 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?

I have seen no evidence of this. In fact we are seeing state subsidy to Foxtel disappear behind paywalls, which is exactly the opposite. Let me put this more bluntly. Advantage is being taken of a government subsidy to private business to the detriment of competitive outcomes. See below.

### 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?

### National broadcasters are subject to tests of fairness and balance. Commercial operators are not. This question assumes that regulation will have adverse affects on competitive outcomes. In fact, the national broadcasters consistently provide superior programming and analysis under their charters, and it is the choice of the commercial operators not to do so.

### The continuous ideological attacks on the ABC from the Liberal Party and the Murdoch press are having a chilling effect on their reporting. I suspect we should have known much more about the Joyce affair, yet the ABC who have representatives in the Canberra press gallery chose not to inform the population.

### So the answer to your question is yes. But not in the that the question assumes. The competitiveness of ABC an SBS is being restricted by a combination of fairness test, regulation and criticism that are borne by commercial operators.

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

### They are more than adequate. See the response above.

### Why are we not placing these same tests on the commercial media? Your question assumes that competitive neutrality operates in only one direction, which makes me dubious of the neutrality of this inquiry.

### The fact that there are tests applied upon ABC and SBS that are not applied to commercial media actually places business at advantage. over the national broadcasters.

### 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?

### This is an example of begging the question. Why is it assumed that private operators have an implicit right to operate? Why does this belief even exist?

### I see no logic other than to place a test upon government media to prevent propaganda, which is fair enough. However the American libertarian model shows that the lack of a public operator fails in the opposite direction. In fact, through their charters both SBS and ABC are subject to tests of neutrality that none of the commercial sector are tested for. The Australian is a feral right wing propaganda arm for business, that is in no way subject to tests of fairness (let alone truth), and yet has an inordinate influence for its tiny circulation.

### Let us explore the case of The Handmaid's Tale. SBS bought a production in the free market that the commercial operators chose not to purchase, and it was an unexpected success. The SBS spend on television is less than 10% of that of each commercial channel, yet it seems SBS and ABC are the only ones prepared to take risk. The private sector could have purchased that product and chose not to. In search of profit, which is the prime motivator of the private sector, their choice has been to broadcast cooking shows, reality television and pap to attract eyeballs to advertisements. It is their choice and theirs alone not to broadcast quality, and not to take even the slightest risk.

### It should be absolutely understood that profit is not a sufficient force to produce good outcomes. Other tests and regulation must be applied in order to force business to behave as good citizens. We do not have to look very far to see extremely poor if not criminal behaviour by the private sector, and it is abundantly clear that light touch or self regulation have failed.

### It is clear that the ABC and SBS provide superior services than do the commercial media, in all areas. This no way means that private operators are crowded out. In fact, it is an important test of the 'market' that a test of quality be applied. We see almost nothing but failure of private enterprise to act as good citizens - Royal Commission into the financial sector for example. What we see in the media is that the private sector is unable or unwilling to reach the benchmark set by the public sector.

### It would be fascinating to see what would happen if we had a comparable market test in other sectors. For example, we have no public operator in the infrastructure sector to test the cost of infrastructure projects. Given the level of corruption and bad behaviour exhibited by the banks, there is no reason to believe that we are getting value as citizens from our tax spend on infrastructure.

### In fact after begging the question to try to force a "yes" answer, it is clear the opposite is in fact the case. The public sector is taking handouts from the Government for very dubious outcomes, and not providing services to all the citizenry who have paid for it. Where has the thirty million dollars gifted to Foxtel for womens sport gone? Where has the money from Screen Australia gifted to Foxtel gone? I cannot tell you because I am not prepared to pay twice for that content. The government is providing a competitive advantage to Foxtel for the benefit of less than 30% of the population. This is the outrage.

### 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?

### I can only speak as a consumer of ABC and SBS content. If there is any competition between ABC and SBS, SBS is "winning" as they provide content that is more interesting to me and as yet have not suffered the attrition of a thousand cuts that the ABC has.Yet I see little overlap in their services.

### SBS has a superior online platform, and I do not see why ABC has chosen not to match it. SBS is better because the site holds content for twelve months, while the ABC only does so for two weeks.

### ABC has to a large extent lost me as a viewer because the quality of current affairs journalism has declined, and in order to meet test of neutrality they are providing false balance. ABC is too often providing a free platform to bad actors, such as the IPA in an attempt to "balance" the perspectives of Labor or Green representatives; yet IPA is far more ideologically distant from the centre than is either Labor or Green. For fairness each IPA representative should be balanced by a Socialist or Marxist.

### Personally, I have migrated to podcasts and online newspapers as my source of information. I have no experience of the online presence of the commercial media because they are sometimes paywalled, the content is banal and the bias is blatant.

### I am also able to benefit from news sources outside Australia, some of which are superior to Australian news sources.

### 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?

### I have previously discussed this, and reiterate that the role of public media should be to act as a test of the market, to hold commercial operators to account. It is clear that the ABC and SBS do this. It is also clear that the commercial operators do not.

### If neither the ABC or SBS existed in Australia, it is clear to me that commercial actors will not take their place. Now that digital platforms have emerged, it is clear that not just I, but many citizens are consuming media in alternative sectors and there is little chance that commercial broadcasters will attract these audiences.

### There are a lot of unconventional media available through all areas of the digital world, and access to these is very flat. Individual operators and small businesses producing podcasts are generating income from advertisements and from pay-as-you-feel subscriptions through Patreon.

### There is an implicit assumption that the ABC and SBS are in competition with the corporate media. One has only to look at the type and quality of the content to see that this is not the case.

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

Competitive neutrality principle appear to be a concept of the neoliberal doctrine. It is understandable, and at face value it is a credible test, but it presumes that the state is a bad actor, whereas we consistently see that the bad actors are in fact private enterprises.

The questions posed by this inquiry consistently assume that commercial operators are operating in good faith. It also assumes that there is an inalienable right for business to operate in parallel with government services. Neither of these assumptions is being questioned, and I rather think they should be.

If competitive neutrality is going to be the test, it should not only be used to test state-owned enterprises, but should also be used as a measure of the performance of the corporate sector. If corporations are unable to supply a public service on a level playing field then they should not be supported either by funding or by legislation.