

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

## Submission – Luke Silcock (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?

The ABC doesn't charge for goods or services. In offering services free to the Australian public (radio, Television, online) etc. it is fulfilling its charter. It would not be in the public interest for the ABC to be privatised or subject to additional commercial returns. We can be confident that the ABC exists to serve the public. The continuation of funding to the ABC from the Government is crucial to enable it to continue in this role.

Additional funding should be considered to create Australian content that can be sold around the world. The recent Mystery Road is a good example of content that is uniquely Australian and should generate additional revenue for the ABC to be ploughed back in to other activities.

SBS does charge advertisers for a limited amount of advertising that is placed into content including 'on demand'. This presumably allows SBS to pay the providers of content. My understanding is that the advertisers gain access to customers in a way that is similar to commercial TV and I would expect the cost 'per viewer' for the advertisement should be similar. It would be reasonable to require the SBS to charge advertisers within a regulated industry range.

There are a number of international competitors - Google, Amazon, NetFlix - who arguably have a competitive advantage over all Australian-based media players. The Government should consider regulating those operators, e.g. requiring them to include Australian content.

### 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?

The national broadcasters are required to operate within their charter. This results in the ABC providing a distinct 'product'. It is more balanced, in-depth and 'trusted' than the private Television, radio and print media operators.

In terms of public interest this is of great value. I don't think this creates a barrier to the private operators, who are profit-seeking to create alternative content.

When we consume content from the private operators we are at risk of being lied to or manipulated for commercial advantage. This isn't the case for the ABC and the primary reason why it needs to be maintained in public ownership with adequate funding. Current funding of $1 billion per annum is significant but should be continued.

The advertising content that has traditionally funded private TV broadcasting is being impacted, but not because of the ABC and SBS. It is the alternative OTT and digital streamed competition that is the problem for Channel 7, 9 and 10.

In terms of news media, there are subscription and 'free' offerings such as the Guardian that are available online.

There are specific cases - e.g. broadcast rights to sport - that commercial incentives may result in the programming being unavailable to the ABC because the ABC can't afford it. Arguably this impacts the competitiveness of the ABC. But in those cases the availability of the sport on paid-for channels is fine.

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

I don't know what they report.

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.

### I prefer to listen to and watch the ABC. I do like the fact there aren't advertisements. But that makes sense because we (taxpayers) are already paying for it.

### I don't think the ABC should be required to include advertising to make it the same as other private operators. I would be annoyed if the ABC included advertising. It would undermine my sense of trust that the ABC is independent of private interests.

### 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 think the SBS addresses the needs of a collection of niche / communities / subsets within the Australian population, based on ethnic diversity.

### The ABC covers the overall population and also separately addresses regional & youth segments. It also addresses consumer affairs (e.g. Gruen transfer, the Checkout) in a way that only an independent / public organisation could do.

### This is compatible and a good result from a public interest point of view.

### It is arguable that any private operators bother to address these audiences with their distinct needs and interests.

### 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?

### The ABC is doing a fantastic job with the limited budget on all the different fronts - i.e. TV, radio, online.

### The SBS does a good job and is indeed complementary to the ABC.

### The decline in attractiveness of commercial TV is mostly due to rise in global competition (Netflix, etc.). Arguably the Government should require the global competitors reaching in to Australian audiences to comply with some regulations. That may be hard to implement and monitor for compliance.

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

The public ownership of the ABC is essential to it operating in a way that is consistent with the public interest.

The ABC can no doubt be improved with additional investment and perhaps can become more efficient. However, bearing in mind that some of the "inefficiency" in the ABC is due to it fulfillnig its charter, I see this as more of a consequence of "Universal Service Obligation" to serve the Australian community. Balancing the budget are matters for the ABC Board and management. As a community member, audience and taxpayer I am currently satisfied.

The SBS will continue to be extremely important to people who speak languages other than English and if it can spread out over multiple channels to better meet those needs it should be free to do so.

The Government could consider regulating a) sporting content on both ABC and SBS to ensure the private operators receive a fair go and b) advertising rates for SBS digital content to be in line with private sector counterparts.