

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

## Submission – Rees Barrett (22 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 principle of competitive neutrality is that government business activities should not enjoy NET comparative advantages by virtue of public ownership. When considered in the context of the vital role played in our democracy and the additional requirements flowing from that role (such as independence, accountability) and the diminishing effective budget there is no evidence of undue advantage. On the contrary there is a case for rapidly expanding disadvantage of government ownership. In fact it is the public that owns the public broadcasters not the government. So why not use the term public ownership?

### 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?

There is a great deal of evidence pointing to a much greater level of regulation (public scrutiny, accountability, demands for political neutrality) on national broadcasters than on commercial broadcasters. I believe for this reason, combined with the government attempts to erode public confidence in the broadcasters that they own, there is a significant erosion of the capacity of the national broadcasters to compete with their commercial counterparts.

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

For the reasons given in responses to questions 8 and 9 I believe so. The inquiry needs to look at the reporting and accountability of commercial broadcasters and their use of publicly funded infrastructure.

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?

### The SBS fulfills its public broadcasting role in a way that complements the ABC.

Yes.

### 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?

Yes. The content generated by the public broadcasters does not compete with the content generated by commercial broadcasters. In fact, the latter rely on the experimental aspects of the public broadcast content to determine trends in evolving market demand. There are many examples of this.

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

I think the guiding principles need to be reviewed to achieve balance in the assessment of the performance of the public broadcasters. At present the interpretation of competitive neutrality is very skewed in favour of the commercial broadcasters. The government needs to demonstrate its belief in the role of the public broadcasters in providing another source of independent information is a media landscape with an excessive degree of concentrated ownership, including ownership by foreign citizens.