

## The politics behind the competitive neutrality inquiry into ABC and SBS

Written by Denis Muller, Senior Research Fellow in the Centre for Advancing Journalism, University of Melbourne

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Last September, One Nation leader Pauline Hanson made a deal with Malcolm Turnbull's government: You give me an inquiry into the ABC and I'll support the [changes you want to make to media ownership laws](#)

The government agreed to do this in the form of an inquiry into the ABC's competitive neutrality – and broadened it to include SBS.

It was clear at the time this had the potential to do real damage to the national broadcaster.

Competitive neutrality principles say an organisation should not enjoy an undue competitive advantage by virtue of it being government-funded. It is suitably arcane camouflage for an inquiry whose real purpose is to put pressure on the ABC over its news service, which Hanson had alleged was biased against her.

It was Hanson's way of getting revenge on the ABC for its pursuit of her over the issue of [funding for her senate re-election campaign in 2016](#)

And now we know the shape of this competitive neutrality inquiry. We know who is conducting it, and last week we got to see [the issues paper](#) that the inquiry put out, which tells us what it is going to cover.

### Scope of the inquiry

The chair is Robert Kerr, who has a Productivity Commission background and impeccable credentials as a free-market economist. Joining him in the inquiry are Julie Flynn, a one-time ABC reporter who used to be CEO of the commercial TV lobby group Free TV Australia, and Sandra Levy, the former head of television at ABC.

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This all seems perfectly reasonable, until you remember this is mainly about online media. In that case, why have two people with television backgrounds on the panel?

Online is where the real action is now. Data from the Australian Communications and Media Authority included in the issues paper show just how dramatic the shift has been from traditional television viewing to digital online platforms for media consumption. In 2017, Australians aged 18-34 spent an average of 9.2 hours per week watching video content online compared to just 3.8 hours watching free-to-air television.

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Mark Scott foresaw this when he was [managing director of the ABC](#) and drove the broadcaster hard into the digital sphere. He realised that if the ABC was not a relevant provider of digital content online, it would soon cease to be relevant.

That's why the other big media players, especially Rupert Murdoch's News Corp, have lobbied relentlessly to have the ABC's wings clipped in this arena. Hanson, wittingly or not, played right into News Corp's strategy.

As for the issues paper, the giveaway is on page 11.

There, it refers to the requirement in the ABC Act that the ABC "take account of the broadcasting services provided by the commercial and community broadcasting sectors of the Australian Broadcasting system." In other words, the ABC is discouraged from just replicating what the commercial broadcasters do.

In that context, the paper then addresses this question to the ABC: How does it apply this

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requirement *specifically* to its on-air, iView and online news services? Nothing else. Not its drama or documentaries or narrative comedy or children's programs. Just its news services.

The reason? That's the part of the ABC that Hanson detests. So there's the pay-off.

There are some broader competition questions, as well, but the only part of its vast portfolio the ABC is specifically asked about is its news output. Yet, if there is one category of program content that most obviously and unmistakably distinguishes the ABC from commercial broadcasters, it's news.

### Time for responses

Then the issues paper asks "other stakeholders" – basically the ABC and SBS's commercial broadcasting rivals - a range of questions about ways in which they think they may have been harmed by any undue competitive advantage enjoyed by the public broadcasters.

There is no indication the answers to these questions are going to be subjected to any cross-examination by the ABC or SBS. Not that there would be time for that anyway, with just three months between the deadline for submissions in response to the issues paper on June 22 and the completion of the report in September.

So, the inquiry is a quickie. And by its own admission, it's trampling over ground already covered 18 years ago by the Productivity Commission.

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It also acknowledges in the issues paper that it has to dance its way between a number of other current inquiries, including the [Australian and Children's Content Review](#), the [Australia](#)

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[n Competition and Consumer Commission's digital platforms inquiry](#)

and the broader

[Treasury review](#)

of the country's overall competitive neutrality policy.

Nonetheless, the inquiry is likely to provide the Turnbull Government with ammunition should it wish to mount an attack on the ABC's scope of operations (especially online) and give Hanson what she really wants: a rolled-up piece of paper with which to smack the ABC around the head.

*Denis Muller does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.*

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