

## ABC and SBS are not distorting media market, government inquiry finds

Written by Michelle Grattan, Professorial Fellow, University of Canberra

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The government's inquiry into whether the ABC and SBS are competing fairly with the private sector's media operators has given a tick to the public broadcasters.

The [report](#) concluded: "Given their market shares, and other factors, this inquiry considers the National Broadcasters are not causing significant competitive distortions beyond the public interest". But it did see the need for greater transparency from them.

The review arose from a 2017 deal between the government and Pauline Hanson to get One Nation support for media law changes which liberalised ownership rules. It has been chaired by Robert Kerr, formerly from the Productivity Commission. The report was released by Communications Minister Mitch Fifield on Wednesday.

The outcome will be disappointing to News Corp in particular which has been highly critical of the ABC's expansion in online publishing. The former Fairfax organisation, now taken over by Nine, also complained about the competition eating into the market of commercial media groups.

The report said: "Competitive neutrality seeks to ensure that competition is not distorted by public entities taking inappropriate advantage of government ownership.

"It is not intended to prevent public entities from competing, nor to relieve discomfort from competitive processes which are bringing benefits to consumers as they rapidly adopt and enjoy new services".

The inquiry found the broadcasters' business activities in order; they were "abiding by a best endeavours approach to competitive neutrality." It suggested there should be some improvements in transparency and internal procedures.

Beyond that, "the question arises as to how competitive neutrality principles about competing fairly without distortion might apply to the free services delivered by the ABC and SBS.

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"Free ABC and SBS services are having some competitive impact. Submissions included complaints about the ABC's online news service and SBS' multi-channel and streaming services. But the National Broadcasters are established and funded to provide free services. So long as they operate within their statutory Charters they are operating in the public interest".

The report said submissions questioned whether the broadcasters were operating within their charters. But, it said, these charters were very broad, and reporting against them "is not detailed or robust enough to settle doubts".

"Accountability is difficult, especially as there is no opportunity for Charter complaints to be addressed".

The broadcasters should improve their reporting of charter performance in the context of competitive neutrality. "If this enhanced reporting does not occur, the government should consider a way of managing complaints about Charter performance in this area," the report said.

"While the National Broadcasters are not prohibited from competing, some improvements in the way they interact with markets should be contemplated".

The report also said the government should consider options for a longer term funding framework for the national broadcasters, accompanied by increased transparency and accountability.

Fifield said he recognised the broadcasters' charters were broad and allowed flexibility in how their boards implemented them. "It is now up to the national broadcasters to act on these recommendations," he said.

Labor's communications spokeswoman Michelle Rowland said the government's "fishing expedition" had spent half a million dollars to establish what the public broadcasters had said all along - that they "are operating in a manner consistent with the general principles of competitive neutrality.

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"Australians trust and value the ABC and SBS and should not have to foot the bill for Mitch Fifield and Pauline Hanson's vendetta against public broadcasting," she said.

Also in return for Hanson's support the government agreed to bring in legislation to require the ABC to be "fair" and "balanced" in its coverage.

Under the legislation, the board would be required "to ensure that the gathering and presentation by the Corporation of news and information is fair, balanced, accurate and impartial according to the recognised standards of objective journalism."

But the legislation is bogged down, with no chance of being passed before the election.

The government has yet to appoint a new ABC chair, after the implosion within the organisation involving the board sacking managing director Michelle Guthrie and the resignation of Justin Milne as chair amid a row over editorial interference.

*Michelle Grattan provides commentary for the ABC.*

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