



## Australian Government

# Inquiry into the Competitive Neutrality of the National Broadcasters

## Terms of Reference

### Background

Government businesses compete with the private sector in a number of markets. The Commonwealth Competitive Neutrality Policy requires that government business activities should not enjoy net competitive advantages simply by virtue of their public sector ownership. At the same time, competitive neutrality principles do not imply that government businesses cannot be successful in competition with private businesses.

Both National Broadcasters provide important services for the benefit of the Australian community in line with a legislated Charter. Some aspects of this they undertake or deliver in competition with private sector operators. It is timely to consider how the national broadcasters operate in modern media context and whether the ways they compete with the private sector are appropriate. These policy issues have not been reviewed in depth since the 1997 report by Bob Mansfield considered the way in which the national broadcasters conduct business activities within the confines of competitive neutrality principles. It is also timely to conduct this Inquiry in concert with the wider review of Competitive Neutrality Policy being undertaken by the Treasury.

### Scope of the inquiry

This Inquiry will explore the practices of the national broadcasters and advise the Government on whether they are operating in a manner consistent with the general principles of competitive neutrality.

The Inquiry will consider how Australian Broadcasting Corporation (ABC) and Special Broadcasting Service (SBS) operate within the markets of which they are part and the basis on which they are competing with the private sector. This should focus on:

- the application of competitive neutrality principles to the business activities of the ABC and SBS, including in operational decision making and risk management
- the cost structures of business activities
- the regulatory obligations for ABC and SBS compared to those for private sector operators, insofar as these relate to competitive neutrality principles
- the adequacy of current compliance and reporting arrangements, and
- complaints and accountability mechanisms operated by the broadcasters, insofar as they relate to competitive neutrality principles.

The panel will also make observations on the role of national broadcasters in the modern media environment.

## Process

The Inquiry will be undertaken by an expert panel consisting of three members and will be supported by staff from the Department of Communication and the Arts. The panel will undertake appropriate consultation with relevant stakeholders, including the national broadcasters, commercial media, advertisers and viewers, and will prepare a report to the Government covering all aspects of these terms of reference.

## Timing

The completion date has been extended from July 2018 to the end of September 2018. The Inquiry will include a public call for submissions.