Competitive Neutrality of the National Broadcasters Inquiry

What is competitive neutrality?

Competitive neutrality occurs when no entity operating in a market has undue competitive advantages or disadvantages over any other market participant.

For government business activities – including some activities conducted by the ABC and SBS – this means that they should not enjoy a net competitive advantage simply by virtue of their public sector ownership.

Further publicly available resources on competitive neutrality can be accessed via the links below:

Treasury Commonwealth Competitive Neutrality Policy Statement

<u>OECD - Competitive Neutrality: Maintaining a level playing field between public and private business</u>

Why is the inquiry needed?

While there have been no specific complaints to the Australian Government Competitive Neutrality Complaints Office, there are a range of views amongst media market participants relating to competitive neutrality. It is therefore appropriate that, from time to time, there be a forum for the wider media industry's perspectives to be put forward and considered in a measured way.

It is important to consider the national broadcasters' role in media markets and whether the ways they compete with the private sector are appropriate. Australia's media landscape continues to evolve rapidly in response to shifting global and consumer trends. For example, ongoing technological change and the rise of new market entrants has forced changes to how our broadcasters operate. It is therefore timely to consider how the national broadcasters are operating in the current media market.

Who is leading the inquiry?

The Government has appointed an experienced panel to conduct the inquiry. The panel will look at how the general principles of competitive neutrality interact with the operations of the national broadcasters in the modern media setting.

The panel is chaired by Mr Robert Kerr. Mr Kerr is a self-employed economist and was Commissioner of the Victorian Competition and Efficiency Commission from

2004 to 2010. He is joined by fellow panellists Ms Julie Flynn—Walkley Award winner and former Chief Executive Officer of Free TV Australia—and Ms Sandra Levy AO—former Chief Executive Officer of the Australian Film, Television and Radio School and former Director of Television at the Australian Broadcasting Corporation (ABC).

Staff from the Department of Communications and the Arts are providing support to the panel.

Will there be a public consultation process?

The panel will release an issues paper drawing on themes raised in the Terms of Reference. The panel will then invite responses from interested parties. Further information on the timing and process for consultation will be published on the Department's website in due course.

Who else will the panel consult?

The panel will consult closely with the national broadcasters as well as participants in media markets and from the wider media industry. This will include commercial broadcasters, radio, news and content producers.