

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Budget Estimates May 2017

Communications Portfolio

Australian Broadcasting Corporation

Question No: 107

Australian Broadcasting Corporation

Hansard Ref: Page 115, 24/05/2017

Topic: Commonwealth's competitive neutrality policy - Compliance

Senator Reynolds, Linda asked:

CHAIR: Before we move on from that—and you might want to take this on notice—just to round out that line of questioning, I am just wondering what policies and procedures you have in place to ensure you comply with the Commonwealth's competitive neutrality policy?

Ms Guthrie: We definitely do comply with government competitive neutrality policy and we do ensure that we charge competitive market rates for our content and compete on a level playing field.

CHAIR: I do not want to take up time, but maybe, with the questions you have taken on notice for Senator Ludlam, you could provide a bit more detail about how you actually implement that policy.

Ms Guthrie: I am happy to do so.

Answer:

Under the Australian Government's principle of Competitive Neutrality, the ABC should not enjoy competitive advantage over private sector counterparts/competitors simply by virtue of their public funding.

In keeping with this principle, the services offered by the ABC to the commercial sector are always priced according to market rates.

To enable this, there is a structural separation of the Corporation's commercial activities from its core business. Any commercial activities undertaken by the ABC are undertaken through its commercial arm.

ABC commercial activities are not supported by taxpayer funds. It is entirely funded from the revenues generated by commercial activities, which requires sales, marketing, financial and legal support. The cost of marketing and selling content and services are therefore built into rates charged in the market. This allows the Corporation to properly assess the financial viability of its commercial activities having regard for the principle of competitive neutrality.