

**PRODUCTIVITY COMMISSION INQUIRY
INTO THE BROADCASTING SERVICES ACT**

SUBMISSION FROM THE SBS CORPORATION

INTRODUCTION

SBS is pleased to make a brief submission to the Inquiry into the Broadcasting Services Act 1991 by the Productivity Commission.

SBS is directly affected by Part 11 and Schedule 4 of the *Broadcasting Services Act 1992* (BSA). Also, as an established player in Australian broadcasting, SBS has a strong interest in the prevailing regulatory environment and its underpinning social, cultural and economic policies.

SBS is part of what we believe to be one of the world's more interesting and progressive broadcasting systems. This stature of Australian broadcasting has been achieved from strong government intervention in structure and funding and a relatively heavy regulatory environment which has relaxed somewhat in some areas with the introduction of the BSA. Regulation of Australian broadcasting, up to now, has evolved with a strong sense of social justice and regard for the Australian ethos of a "fair go", combined with a pragmatic response to market forces. Intervention has been particularly beneficial to the presentation of Australian culture on television in Australia and, increasingly, abroad, and to the growth of a buoyant local film and television production industry .

SBS believes there are good grounds for Australian broadcasting legislation to maintain and encourage the sectoral diversity that has characterised Australian broadcasting and contributed to its success, and for legislation that provides for intervention in particular areas, like Australian content, to continue. Our submission briefly canvasses these matters.

SBS makes this submission as a national public radio and television broadcaster which delivers diverse, innovative and quality programming for all Australians. Our programming mix is quite different from that provided by any other Australian broadcasters because SBS plays a major role projecting and shaping multiculturalism in Australia. Through its radio services especially, broadcasting in 68 languages, SBS has sustained communities' links with their homeland cultures and has helped migrants settle here. Through its national television service, SBS has brought world cultures into the living rooms of the broad Australian community and has promoted tolerance through understanding. Importantly, SBS has added richness and depth to Australia's media scene and has regularly broken new ground in introducing Australia's multicultural reality to the television screen.

SECTORAL DIVERSITY AND THE ROLE OF THE NATIONAL BROADCASTER

In world terms Australia has a small broadcasting market-place, yet Australian audiences are currently extremely well served by the variety and quality available to them across Australian free-to-air television programming. This achievement has been based on the sectoral diversity of our free-to-air broadcasting, comprising:

- a strong and independent public broadcasting sector, charged with implementing national broadcasting objectives;
- a competitive commercial sector, with an emphasis on Australian programming; and,
- a distinctive community sector, with programming that is directly community driven.

With sectoral diversity has come substantial diversity in programming of a breadth not prevalent in other countries, and it represents a considerable achievement given the small population size of Australia. Our television services are prime examples. SBS, for instance, is recognised by viewers as the chief source of foreign movies, sports coverage and documentaries not available on other networks, as well as locally produced documentaries and current affairs programs that explore issues to do with race and cultural diversity within Australia. The ABC is highly regarded for its independent news and current affairs, coverage of Australia's cultural life, childrens' programming and innovative drama. The drama series programming of Australia's commercial stations is very popular with Australian audiences and is also a highly successful export product. Commercial television stations are also valued for their regional news and information. Community broadcasting stations cater for an enormous variety of community and niche interests.

National public broadcasters have always played a vital role in Australian broadcasting and, we believe, they are set to continue this part in the future.

As the transition from analogue to digital broadcasting progresses, and the consequent efficiencies in spectrum use are achieved, enormous capacity will become available in the commercial marketplace for audio-visual services. To this will be added the commercial exploitation of an abundance of space on cable. This commercially driven expansion will have mixed effects on consumer choice. There will be a far greater number of channels, but the great majority of these channels will only be available to those willing to pay the price for subscription services. In addition, providers will focus on the relatively narrow range of programming that can guarantee a sufficient number of paying viewers to make the services commercially successful.

In that environment national broadcasters will have a key role in ensuring that access and diversity remain central features of the broadcasting system. It is clearly in Australia's interests to ensure Australia's communications future does not

create a widening of the gap between the information rich and the information poor, based on the ability of the citizen to pay. Public broadcasters will become even more important in this environment with a vigorous pursuit of their community service objectives.

Through their national broadcasting obligations, SBS and the ABC have a vital role in providing a range and quality in programming that complements the programming of commercial television. By setting standards and taking risks with program genres and areas of interest the national broadcasters influence and enhance the broadcasting system as a whole.

SBS looks forward to the opportunities available with digital multi-channelling to provide more programming which fits with SBS's Charter obligation to provide multilingual and multicultural broadcasting services.

CODES OF PRACTICE AND COMPLAINT HANDLING

The SBS Codes of Practice articulate the objectives, strategies and policies to be followed by SBS in fulfilment of its Charter. An express duty of the SBS Board, provided in the *Special Broadcast Service Act 1991*, is "to maintain the independence and integrity of the SBS". The SBS Board is responsible to the Parliament for the operation of SBS and is mindful of this responsibility when developing the programming policies and practices contained in the SBS Codes of Practice. SBS recognises that national broadcasters should be, and are, subject to a significant level of public scrutiny.

For SBS, the freedom to develop our own Codes of Practice has been important in reinforcing the long-held position of SBS that with independence comes responsibility and accountability. Our experience to date is that the Codes are also a valuable internal resource, improving the organisation's focus on its broadcasting output far more than externally imposed regulations would do.

SBS regularly reviews these Codes and, on each occasion actively seeks opinion from the general public, stakeholders - including the ABA - and SBS's own Community Advisory Committee. SBS has also been quick to respond to community attitudinal changes. SBS for, example, was the first broadcaster to amend its Codes of Practice to incorporate a new violence program classification following the disastrous events at Port Arthur, well over a year ahead of any other broadcaster.

The national broadcasters, ABC and SBS are required under their respective Acts to notify their Codes of Practice to the ABA. The SBS believes that the present arrangements of notification of Codes of Practice to the ABA and for complaints handling by the national broadcasters are good arrangements. They are consistent with the structural make-up of Australian broadcasting. Moreover, we believe they have proved to be more flexible and responsive than the arrangements applying to other areas of broadcasting.

AUSTRALIAN CONTENT

SBS Television operates on a very small budget by comparison with the other four free-to-air channels. Historically, it has managed to maintain a reputation for quality, innovation and diversity through the prudent selection and purchase of relatively cheap overseas programming (**commercial – in - confidence**) supplemented by a limited amount of Australian-made product, predominantly documentaries. In the first 14 years of its history, SBS Television averaged less than three hours a year of home grown drama.

But SBS has long recognised the need to reflect contemporary multicultural Australia to Australians by increasing the amount of locally produced programming on SBS Television. This was SBS's objective in establishing SBS Independent (SBSI) as a mechanism for commissioning projects from the independent production industry for the SBS Television schedule.

SBSI is an arm of SBS Television but has had special funding from Government of around \$4 million per year since 1994. This special allocation was made in specific recognition of the fact that SBS's funding arrangements had allowed little scope to initiate and broadcast Australian content. SBSI commissions independent productions in a range of formats, from low-budget features, through drama, comedy and experimental work. The projects remain the property of Australian independent producers, with SBSI's contribution usually limited to little investment beyond the purchase of Australian free-to-air rights. The average financial contribution from SBSI is approximately 20% to 25% of the production value of each project. The successful financing of SBSI-commissioned projects is, therefore, reliant on a complex mix of creative partnerships from a variety of sources including overseas broadcasters, pay television and, predominantly, government funding agencies - the Australian Film Commission, the Australian Film Finance Corporation, Film Australia and State film funds,

SBSI has found a niche within the Australian film and television production industry as a unique mechanism for kick-starting innovative and adventurous projects which would otherwise have remained undeveloped. It has invested in new Australian talent, and offered opportunities for innovation in film making which did not previously exist in the Australian broadcasting environment. It is SBS's view that SBSI has added to the fabric of Australian broadcasting through increased program diversity and that, by stimulating a vital and dynamic independent film and television production sector, it is adding value to the industry as a whole.

SBS cannot deny, however, that the part played by SBSI in providing Australian drama programming and in fostering a healthy local production industry is relatively minor. Australian production for the commercial broadcasters has been the cultural cornerstone of the Australian broadcasting system and the most important stimulant, along with the ABC's commitment to "high-end" product, to the Australian industry.

SBS has no doubt that any diminution of the broadcasting content regulations, particularly those pertaining to levels of Australian drama, would result in a gradual diminution in Australian programming, albeit with a variation in the speed of response across the networks. It is important to note, however, that the combination of factors which has led SBS to find innovative solutions to its difficulties in producing Australian-made product for its television schedule will prevent it ever becoming an alternative broadcaster of the sorts of Australian programming that are currently produced and scheduled by the commercial free-to-air broadcasters.

SBS Corporation
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THE CHARTER OF THE SBS

The principal function of the SBS is to provide multilingual and multicultural radio and television services that inform, educate and entertain all Australians and, in doing so, reflect Australia's multicultural society.

The SBS, in performing its principal function, must:

- (a) contribute to meeting the communications needs of Australia's multicultural society, including ethnic, Aboriginal and Torres Strait Islander communities; and**
- (b) increase awareness of the contribution of a diversity of cultures to the continuing development of Australian society; and**
- (c) promote understanding and acceptance of the cultural, linguistic and ethnic diversity of the Australian people; and**
- (d) contribute to the retention and continuing development of language and other cultural skills; and**
- (e) as far as practicable, inform, educate and entertain Australians in their preferred languages; and**
- (f) make use of Australia's diverse creative resources; and**
- (g) contribute to the overall diversity of Australian television and radio services, particularly taking into account the contribution of the Australian Broadcasting Corporation and the community broadcasting sector; and**
- (h) contribute to extending the range of Australian television and radio services, and reflect the changing nature of Australian society, by presenting many points of view and using innovative forms of expression.**