



Committee Secretary

Environment and Communications Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

14 April 2015

GetUp submission to the Environment and Communications Legislation Committee

Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015

GetUp welcomes the opportunity to present a submission to the Environment and Communications Legislation Committee regarding to the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015.

GetUp is opposed to the *Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015* as well as any moves to:

- lift the hourly advertising limit on SBS from five to ten minutes per hour; and
- disrupt programming with non-program matter such as advertising and promotions.

It's our view the proposed changes would have a detrimental impact on the integrity of the broadcaster and should be opposed based on the following:

- **Further commercialisation of the SBS would place the needs of the advertiser before the needs of the viewers.** As advertising increases and product placement is introduced, programming will be assessed based on its ability to raise revenue and serve the interests of the advertiser instead of the interests of the viewers.
- **Increased advertising will restrict the broadcaster from meeting its Charter obligations.** Since SBS introduced in-program advertising two major studies have been conducted, one in 2008 (n = 1733)¹ and the other in 2013 (n = 2044)². The studies required participants read SBS' Charter to answer specific Charter related questions. The outcome of the different study groups was essentially the same. Three quarters of SBS viewers nationally (71.6% in 2008 and 72.1% in 2013) said that SBS was "less faithful to the Charter since it had introduced in-program advertising".

¹ A study of 2044 viewers of SBS television on advertising, Charter, relevance and other matters, pg 12, Save Our SBS, 23 July 2013, <http://saveoursbs.org/wp-content/uploads/2013/07/A-study-of-2044-viewers-of-SBS-television-on-advertising-Charter-relevance-and-other-matters.pdf>

² One Minute Survey Results, Save Our SBS, Monday, 1 December 2008, <http://saveoursbs.org/archives/332>

The studies strongly suggest that SBS will be less efficient in Charter delivery if it were to double prime time advertising.

The survey results are consistent with international studies as demonstrated by a 1999 study of public service broadcasters in 19 countries commissioned by the BBC carried out by McKinsey and Co, which concluded that an increased dependence on advertising led unavoidably to a more populist and a less distinctive schedule.³

The Department of Communication's own *ABC-SBS Efficiency Study* – the Lewis review – acknowledged that “risks to the amount of Charter-related content” may be a consequence of increase advertising, and found that “there will be a greater pressure on SBS management to consider the trade-off of delivering on commercial expectations, against delivering those functions described in the SBS Charter”.⁴

- **The SBS was never intended to be like a commercial station.** If this bill is passed, the SBS will eventually broadcast 14 minutes of disruptive commercial breaks per hour in peak viewing – 6pm to midnight and in sport (ten minutes of ads plus four minutes of promos every hour), putting the broadcaster on par with commercial television stations.^{5 6}
- **There is strong public opposition to an increase in advertising on the SBS.** More than 61,000 Australians from every State and Territory have signed a petition to oppose any increases in SBS advertising even through averaging.⁷
- **The introduction of product placement will threaten the SBS' independence.** The introduction of product placement will remove the independence of probing journalism and restrict what presenters may say. Having a product placed on set, within programs will severely diminish the integrity of the SBS, as presenters would be gagged from making any comment that could be perceived to negatively portray the product or associated companies being advertised.
- **There will be a reduction in quality Australian content.** SBS has been home to some of the best Australian content, from quality dramas to world-class movies and documentaries. Increased SBS advertising revenues does not oblige SBS make more Australian drama, but it will reduce a significant portion of the free-to-air commercial broadcasters revenue used to make local

³ *Public Service Broadcasters Around the World*, McKinsey & Co, 1999, London, Mimeo

⁴ *The ABC and SBS Efficiency Study Report* (redacted), pg 85, Department of Communications, April 2014, http://www.minister.communications.gov.au/__data/assets/pdf_file/0003/63570/ABC_and_SBS_efficiency_report_Redacted.pdf

⁵ *Commercialising SBS by stealth*, pg 7, Save Our SBS, 9 March 2015, <http://saveoursbs.org/wp-content/uploads/2015/03/Commercialising-SBS-by-stealth.pdf>

⁶ *Ad hock: SBS having no trouble selling prime time*, Crikey, Myriam Robin, 3 March 2015, <http://www.crikey.com.au/2015/03/03/ad-hock-sbs-having-no-trouble-selling-prime-time>

⁷ *Preserve its Integrity! Don't Increase Ads on SBS*, petition created by Margaret Pomeranz AM & Quentin Dempster AM, (> 61,000 signatures approx) <https://www.communityrun.org/petitions/preserve-its-integrity-don-t-increase-ads-on-sbs>

programs resulting in lost jobs; overall there will be fewer Australian programs in all markets.⁸

SBS Radio connects newly arrived Australians in an inclusive way, which is the very reason why the broadcaster was first established – to address a gap in services for our increasingly culturally diverse community. Additionally, SBS World News Australia presents world news that is often neglected by other broadcasters. Sadly, this will all be put at risk if this bill passes.

- **It will result in further cuts to the SBS' budget.** A 1% cut was made to the SBS in the 2014-2015 Federal Budget, and in November 2014, further cuts were announced. If this bill is passed, it will be the third cut to the SBS in 12 months and reduce the SBS' budget by \$28.5 million.^{9 10 11}

Furthermore, revenue from advertising is never additional income for SBS. More advertising on the SBS is another way of removing public funding from its budget.

For decades there has been bipartisan support for the allocation of funds to the SBS (and the ABC) every three years. Triennial funding gave financial certainty to the broadcasters and freed political parties from perceptions of bias, as the period of funding overlapped parliamentary terms but these government cuts have broken the triennial funding convention.

GetUp would oppose any move that could diminish the integrity of the SBS, and would therefore ask the Parliament to reject the *Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015*.

⁸ Submission to the Department of Communications, Free TV Australia, 10 March 2015, http://www.freetv.com.au/Media/Submissions/2015_0003_SUB_FINAL_Response_to_Regulation_Impact_Statement_SBS_Advertising_Flexibility.pdf

⁹ The Hon Malcolm Turnbull MP, Minister for Communications, *National Broadcasters to implement efficiency measures*, refer to the text and table, 19 November 2014, http://www.minister.communications.gov.au/malcolm_turnbull/news/national_broadcasters_to_implement_efficiency_measures#.VlLfNskXJZ6

¹⁰ Senate Environment & Communications Legislation Committee, 25 November 2014: Senator Urquhart and Senator Birmingham (pp 27-28) <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id:%22committees/estimate/8064138f-36ef-4588-b531-23ded4cfe308/0000%22>

¹¹ Senate Select Committee into the Abbott Government's Budget Cuts, 12 December 2014 Senator Ludlam and Mr Ebeid (pp 26) http://parlinfo.aph.gov.au/parlInfo/download/committees/commsen/997410cb-4f6f-4745-91d4-ea41b3361293/toc_pdf/Select%20Committee%20into%20the%20Abbott%20Government%27s%20Budget%20Cuts_2014_12_12_3139_Official.pdf;fileType=application%2Fpdf#search=%22committees/commsen/997410cb-4f6f-4745-91d4-ea41b3361293/0008%22

Appendix 1: Supporting statements from petition signatories

Recently, Margaret Pomeranz and Quentin Dempster launched a [petition](#) calling for the Australian Parliament to reject any proposed increase in ads on the SBS. The petition is endorsed by *GetUp* and *Save Our SBS*.

As of 12 April 2015, more than 61,700 people have signed the petition statement, which reads:

Do not amend the SBS Act 1991 to permit advertiser-averaging, which will see a doubling of ads and commercial breaks on SBS. This will mean that during primetime & sports broadcasts, SBS will look no different from the commercial networks.

Increasing ads will seriously threaten SBS's ability to comply with its Charter obligations. If the law is amended, eventually SBS will broadcast 14 minutes of disruptive commercial breaks per hour in peak viewing – 6pm to midnight and in sport (10 minutes of ads plus 4 minutes of promos every hour) – the same as commercial TV.

Commercial breaks disrupting SBS programs are not natural and should be stopped, not increased!

Here are a few supporting statements given by people who signed the petition:

Gillian A –

“I find SBS an amazing breath of fresh air, so much television now is the same, but the insight SBS gives you into so many aspects of both Australian culture , not to mention a world perspective, is great food for thought!”

William N –

“SBS is such a good service we do not need it tied to commercial imperatives to sell ads by screening only high consumption trash like so much of the commercial TV channels do. Keep it independent.”

Beth M –

“SBS has such interesting shows for all tastes and I think advertising spoils the momentum of the story. I don't take much notice of advertising because it is so irritating. I also feel if SBS goes down this path by the Government then is ABC next. Please no!”

Elizabeth M –

"I believe Australia has enough commercial television networks. SBS needs to be provided with sufficient government funding to continue as it was meant to at its inception."

Tessa M –

"Multicultural media are vital if Australia is to have a harmonious and creative future. SBS is a national treasure. Do not destroy it!"

Rachel B –

"SBS should be preserved as it is the last haven of relatively ad-free content, along with the ABC. It was never meant to be like this."

Dympna R –

"SBS provides diversity in programming. We aren't all monolingual and it's good to be reminded of this."

Colleen T –

"SBS is important to Australia on so many levels. I would be less inclined to watch SBS if ads were increased, so if others felt the same, might lead to the broadcaster's demise, which would be appalling."

Fred L –

"It will be the death of SBS and therefore of no use to advertisers so why do it?"

Tony P –

"It is bad enough having great programming divided and split by advertising now, without having even more. Leave our essential public broadcasters alone!"