

**SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE
REFERENCES COMMITTEE**

**INQUIRY INTO GENERAL AGREEMENT ON TRADE IN
SERVICES AND AUSTRALIA/US FREE TRADE AGREEMENT**

SUBMISSION

Submission No: 128

Submittor: ABC

Contact: Mr Geoffrey Crawford
Director/Corporate Affairs

Address: ABC Ultimo Centre
700 Harris Street
ULTIMO NSW 2007

Tel: (02)8333 1500

Fax:

Email: abc.net.au

No. of Pages: 3

Attachments: No

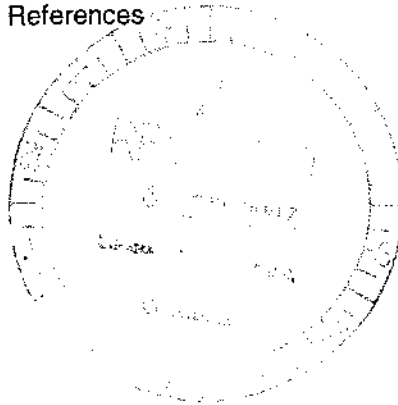
11 April 2003



ABC

Australian
Broadcasting
Corporation

The Secretary
Senate Foreign Affairs, Defence and Trade References
Committee
Suite S1.57
Parliament House
CANBERRA ACT 2600



Corporate Affairs

ABC Ultimo Centre
700 Harris Street
Ultimo NSW 2007

GPO Box 9994
Sydney NSW 2001

Tel. +61 2 8333 1500
abc.net.au

Re: **Inquiry into the General Agreement on Trade in Services and Australia/US Free Trade Agreement**

Dear Secretary

The ABC is pleased to contribute to the Committee's inquiry into the General Agreement on Trade in Services and the Australia/US bilateral Free Trade Agreement.

I trust that the information attached will assist the Committee in its deliberations.

In this submission the ABC provides relevant information in relation the potential cultural impacts of these trade liberalisation agreements.

The contact point in relation to the submission is Trevor Burns, Head, ABC Government and Parliamentary Relations. He may be contacted at (02) 6275 4541, or by mobile phone on 0417 290 559.

Yours sincerely

A handwritten signature in black ink that reads "Geoffrey Crawford".

Geoffrey Crawford
Director
Corporate Affairs

Senate Foreign Affairs, Defence and Trade References Committee

**Inquiry into the General Agreement on Trade in Services
and Australia-US Free Trade Agreement**

Submission from the Australian Broadcasting Corporation
April 2003



Australian Broadcasting Corporation Submission to the Senate Foreign Affairs, Defence and Trade References Committee Inquiry into the General Agreement on Trade in Services and Australia-US Free Trade Agreement

Introduction

The Australian Broadcasting Corporation (ABC) welcomes this opportunity to make a submission to the Senate Committee on Foreign Affairs, Defence and Trade on the General Agreement on Trade in Services (GATS) and a bilateral Free Trade Agreement with the United States of America (US-FTA).

The Committee has sought comments on a wide range of issues, many of which fall outside the ABC's remit as the national broadcaster. Consequently, the ABC proposes to confine its comments to matters relating to the potential cultural impacts of these trade liberalisation agreements (terms of reference 1(a) and 2(a)).

The ABC's interest in these matters is as a producer and co-producer, purchaser and vendor of audiovisual cultural products. Among the functions of the ABC defined in its Charter is "broadcasting programs that contribute to a sense of national identity and inform and entertain and reflect the cultural diversity of the Australian community."¹ Further, the Corporation is required to "encourage and promote the musical, dramatic and other performing arts in Australia."² The ABC produces its own programming content, as well as commissioning and co-producing content for distribution through its television, radio and online platforms. In these activities the Corporation makes full use of Australian creative skills and technical expertise.

The ABC is aware that audiovisual services have been the subject of requests for trade liberalisation from a numbers of nations, including the United States. The "GATS Negotiating Proposal on Audiovisual and Related Services" advanced by the United States attempts to argue for substantially unfettered access to trade in audiovisual services on the basis of technological changes in the delivery of audiovisual media.³

Matters of Concern

The ABC shares many of the concerns expressed by other Australian cultural organisations regarding the potential impact of trade liberalisation agreements of this kind on the Australian cultural sector. Of particular concern is the possibility of trade agreements constraining a government's right to pursue policies that promote its national cultures and heritage if the

¹ *Australian Broadcasting Corporation Act 1983*, s6(1)(a)(i).

² *Australian Broadcasting Corporation Act 1983*, s6(1)(c).

³ Office of the United States Trade Representative. "Audiovisual and Related Services." Online: <<http://www.ustr.gov/sectors/services/audio.pdf>>

means by which such policies are pursued—including subsidies, regulations and incentives—are deemed to distort international trade. More remote, but equally concerning, is the possibility of an international trade agreement rendering the provision of public broadcasting services as a barrier to trade.

Australian broadcasting policy is predicated upon a mix of commercial, public and community broadcasting services. This is reflected in the *Broadcasting Services Act 1992* and the *Australian Broadcasting Corporation Act 1983*. International trade agreements constraining policy in any one of these sectors thus have the potential to affect policy settings relevant to the other sectors of the Australian broadcasting industry and the industry as a whole.

The ABC and the Independent Production Sector

The ABC produces much of the original content that appears on its output platforms. However, like all broadcasters it also seeks to co-finance the production of material, particularly higher budget programming, such as drama, children's drama and nature and wildlife documentaries. Co-production and pre-purchasing arrangements of this kind are sought because broadcasters cannot afford to create such programming, as is the case with the ABC, or are unwilling to accept the financial risk associated with investing the significant sums required.

Any trade agreement that targets film and television subsidy mechanisms (such as the Australian Film Finance Corporation (FFC) and Film Australia) would have a negative impact on the ABC's Australian content television output originating from the independent sector in the key areas of drama, children's drama and documentary.

The ABC's ability to find local co-production partners is directly tied to the strength of the Australian independent production sector. The viability of that sector in turn depends on the proactive involvement of broadcasters, as well as various subsidies and incentives. The removal of broadcasting regulations and other mechanisms that support local producers would have the potential to reduce the production industry's capacity to supply such high quality Australian programming. The industry already faces potential difficulties with ensuring continuity of supply and employment, and could find itself facing a dearth of opportunities for all creative suppliers if Australia accepted international trade obligations restricting the Government's ability to provide support for the industry.

Australian Negotiating Stance to Date

In light of these concerns about the possible impacts of trade liberalisation agreements, the ABC is heartened by recent Australian Government statements supporting maintenance of full Australian control of directions in national cultural policy. Specifically, the ABC notes with approval the Australian Intervention on Negotiating Proposal on Audiovisual Services at the July 2001 CTS Special Session, and is reassured by the statement that "Australia remains

⁴ Office of the United States Trade Representative. "Audiovisual and Related Services." Online: <<http://www.ustr.gov/sectors/services/audio.pdf>>

committed to preserving our right to regulate audiovisual media to achieve our cultural and social objectives and to maintain the broad matrix of support measures for the audiovisual sector that underpin our cultural policy; including retaining the flexibility to introduce new measures in response to the rapidly changing nature of the sector.”⁵ Similarly, the ABC notes with approval that the statement of Australia’s objectives with regard to the US-FTA of 3 March 2003 by the Minister for Trade includes the specific objective of ensuring “that the negotiations take account of Australia’s cultural and social policy objectives, and the need for appropriate regulation and support measures to achieve these objectives in areas such as audiovisual media.”⁶

The ABC also notes that the recently-completed Singapore-Australia Free Trade Agreement contains comprehensive exclusions relating to the Media Sector and to the broadcasting and audiovisual, entertainment and cultural services sub-sector of the Communication Services, and Recreational, Cultural and Sporting Services Sector.⁷ The ABC believes that such an exclusion should be a necessary element of a Free Trade Agreement with the United States of America.

⁵ <http://www.dfat.gov.au/trade/negotiations/services/audio_visual_neg_proposal.html>

⁶ <http://www.trademinister.gov.au/releases/2003/mvt013_03.html>

⁷ *Singapore-Australia Free Trade Agreement: Annex 4-II(A): Australia’s Reservations To Chapter 7 (Trade In Services) and Chapter 8 (Investment)*, pp.8–10. Online: <http://www.dfat.gov.au/trade/negotiations/safta/annex_4_ii_a.pdf>.