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ABC/SBS AMALGAMATION BILL 1986

Date introduced: 12 November 1986
House: House of Representatives
Presented by: Hon. Michael Duffy, M.P., Minister
for Communications

DIGEST OF BILL

Purpose

To amalgamate the Australian Broadcasting Corporation (ABC) and the Special Broadcasting Service (SBS).

Background

The Australian Broadcasting Commission, the predecessor to the present ABC, was established in 1932 and changed its name on 1 July 1983. The ABC operates four domestic radio networks, a national television network and the overseas shortwave service Radio Australia. In addition, it operates symphony orchestras in each of the six State capitals and a number of ABC shops. The Charter of the ABC is contained in the Australian Broadcasting Corporation Act 1983 (the Principal Act) and its functions are to provide a high standard broadcasting and television service, to broadcast programs overseas that will encourage awareness of Australia and to encourage and promote the performing arts in Australia.

The ABC is principally funded through Government appropriation and received \$430 million in 1985-86. It is estimated that the ABC will receive \$412.8 million in 1986-87, a drop of \$17.2 million or 4 per cent[1]. At 30 June 1985, the ABC employed 6716 people, 35.1 per cent of them in the TV Programs Division, 20.4 per cent in Radio Programs and 14.3 per cent in administration[2].

The SBS was established on 1 January 1978 and assumed responsibility for the ethnic radio stations 2EA and 3EA. Following experimental transmissions in 1979 and 1980, regular television transmissions were commenced in Sydney

and Melbourne in October 1980. SBS television was extended to Canberra, Goulburn and Cooma in 1983 and the network further expanded to Newcastle, Wollongong, Adelaide, Brisbane and the Gold Coast in 1985. The most important events in 1986 was the cessation of VHF transmissions in January and the extension to Perth and Hobart via AUSSAT in March.

As with the ABC, the SBS is principally funded through direct appropriation. It received \$46.4 million in 1985-86 and is estimated to receive \$47.5 million in 1986-87, an increase of 2.4 per cent[3]. In 1985-86, 38 per cent of funds were spent on operations, 22 per cent on salaries, 15 per cent on capital and 16 per cent on administration[4].

In July 1984 the ABC/SBS Steering Committee was established to improve cooperation and coordination between the two bodies. One of the matters being discussed in the Committee is the use of ABC studio and production facilities by the SBS[5].

The proposal to amalgamate the two services was announced by the Treasurer as part of the 1986 Budget. In the Budget Papers it is estimated that there will be substantial long term savings, mainly from the elimination of duplicated activity, joint use of facilities, combined program purchasing arrangements and lower overheads for administration and accommodation. The saving in 1986-87 is estimated at \$2 million[6]. In the Budget Speech the Treasurer stated that the specialised charter of the SBS would be preserved under the amalgamation[7].

Main Provisions

The Bill will operate from 1 January 1987 (clause 2).

The Charter of the ABC will be amended by clause 4. The ABC will be given the additional function of providing multilingual broadcasting programs and television programs and the matters the ABC is to have regard to when performing its functions will be amended to include the needs of people whose first language is not English.

Section 11 of the Principal Act, which deals with the composition of the Advisory Councils and committees of the ABC, will be amended to require the ABC to ensure, as

far as is practicable, that persons of a non-English speaking background are represented (clause 5 which will amend section 11 of the Principal Act).

The number of Directors on the Board of the ABC will be increased from nine to twelve (clause 6 which will amend section 12 of the Principal Act).

Section 13A of the Principal Act will be amended to make it clear that all officers and employees, other than temporary employees who work less than 24 hours per week, of the ABC may vote for the staff-elected director (clause 8).

Section 26 of the Principal Act requires the ABC to have regard to the services supplied by the SBS. Clause 11 will repeal this section and substitute a new section that will require the ABC to have regard to the services provided by a public licence holder which broadcasts in a language other than English. The proposed section will also allow the ABC to provide programs and services to the holder of such a licence as it deems appropriate.

The ABC will be required to broadcast, and may televise, news and information in languages other than English (clause 12 which will amend section 27 of the Principal Act).

The value of contracts and lease back arrangements that may be entered into without the Minister's approval will be doubled to \$1 million (clause 13 which will amend section 70 of the Principal Act).

Details of non-English programs are to be included in the annual report (clause 15 which will amend section 80 of the Principal Act).

Part IV of the Bill (clauses 17 to 30) deals with the transfer of assets, liabilities and staff.

Amalgamation day is defined in clause 17 to be 1 January 1987.

Clause 18 will transfer the SBS's assets, other than any transmitters it owns, and liabilities to the ABC. The ownership of transmitters will be transferred to the Commonwealth.

References to the SBS in any contract, agreement or arrangement will be deemed to be references to the ABC (clause 19).

Similarly, any proceeding to which the SBS is a party will be transferred to the ABC (clause 20).

The transfer of assets or the execution of a document to give effect to this Part will be tax exempt (clause 21).

Clause 22 will allow the SBS to continue to exist after the amalgamation day until its obligations to transfer assets to the ABC is discharged.

Clause 23 will provide for the ABC to employ SBS staff as unattached officers, temporary or fixed term officers. They are to be employed on the same terms and conditions as before the amalgamation day (clause 24).

Unattached and temporary officers are to retain their recreational and sick leave credits (clause 25).

An election for the staff-elected member of the Board is to be held as soon as practicable after the amalgamation day. In addition, all non-executive Directors will cease to hold office on the amalgamation day (clause 29).

The Appropriation Acts will be amended to transfer the SBS's funds to the ABC (clause 30).

For further information, if required, contact the Education and Welfare Group.

17 February 1987

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References

1. 1986-87 Budget Paper No. 1, p.169.
2. ABC Annual Report 1984-85, p.70.
3. 1986-87 Budget Paper No. 1, p.169.
4. SBS Annual Report 1985-86, p.49.
5. *ibid*, p.12.
6. 1986-87 Budget Paper No. 1, p.169.
7. 1986-87 Budget Speech, p.17.

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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