

## **Dissenting Report by Senator Nick Xenophon**

1.1 SBS holds a special place in Australian society. Its diverse programming is reflective of our ever increasing cultural diversity. I believe the non-commercialisation of SBS is essential to maintaining this broadcaster's ability to continue to produce and televise programs that other networks would be unwilling to broadcast. While the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015 does not increase the total amount of advertising above the current limit of 120 minutes in any 24 hours, it will allow advertising to increase from 5 to 10 minutes in any hour of programming. Furthermore, this bill will make product placement permissible, a measure I believe will constrict SBS's ability to offer the frank commentary it is renowned for.

1.2 I must emphasise that I find the cuts to SBS's funding repugnant. I am concerned that this is the beginning of a slippery slope as governments try to wean SBS off public funding and towards an advertising revenue dependant model. SBS has a specific charter to fulfil a specific need, and any measures that impact on SBS's ability to do so must be rejected.

1.3 Further, I note the impact of cuts to the ABC, where changing financial circumstances have impacted on the production of local content, particularly in my home state of South Australia. Just as the ABC serves a particular purpose (the production and dissemination of Australian content), the SBS must also be supported in its activities; namely, to provide a wide variety of culturally distinct programming that reflects, supports and builds Australia's multicultural society.

1.4 The Federation of Ethnic Communities' Councils of Australia explained the significance of SBS, particularly for ethnic communities and those from culturally and linguistically diverse backgrounds who have only recently arrived in Australia:

SBS has played and continues to play a significant role in the settlement of migrants and refugees in to the Australian community. Given the significant number of Australians that do not speak English well or do not speak English at all, SBS's role is even more critical with helping meet the information, education and entertainment needs of this group of Australians.<sup>1</sup>

1.5 I also wish to put on the record that I do not support SBS's current advertising activities, although I recognise they have been put in a difficult position through no fault of their own. The government should ensure that SBS is adequately funded without the need for this retrograde measure.

---

1 Federation of Ethnic Communities' Councils of Australia, *Supplementary Submission 3.1*, p. 2.

1.6 As Mr Ian Paterson of Nine Network Australia pointed out to the committee, commercialisation has serious consequences on the operations of a network:

When you become more commercial, there is no finish line. You set a sales team a task. Whilst we all have budgets, we do not go home after those budgets are met. We look towards going further than those budgets, or the next month, because you do not know what is around the corner. You might have a terrific month and reach budget, but, if you were to cap your sales capacity around that achievement and not expect something to happen in the future whereby the market goes backwards—and we see that across the course of the year from month to month—then you run the risk of not meeting targets on a medium- or longer-term basis. There is no mentality, at least in the commercial world, and one I am sure would be adopted by SBS, if not already, whereby you would stop or cap your sales strategy at any point relative to budget.<sup>2</sup>

1.7 These pressures may be felt more acutely at SBS as, based on their evidence to the committee, they are already struggling to fill existing minutes of advertising.

### **Recommendation 1**

**1.8 That this bill not be passed.**

**Senator Nick Xenophon**  
**Senator for South Australia**

---

2 Mr Ian Paterson, Managing Director GTV9, Nine Network Australia, *Proof Committee Hansard*, 18 May 2015, p. 27.