

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates February 2017

Communications Portfolio

Special Broadcasting Service

Question No: 61

Special Broadcasting Services Corporation

Hansard Ref: Written, 14/03/2017

Topic: Budget cuts

Senator Urquhart, Anne asked:

1. Please describe the impact of recent budget cuts on the provision of services and programs at the SBS.
2. Are any SBS programs or services at risk of being cut unless the SBS budget is increased?
3. Are there plans to cut any specialist language programs on SBS radio?
4. Is the SBS subject to the requirements of the Public Governance Performance and Accountability Act 2013?
5. Does the SBS think that it should give transparency to the public as to its sources of revenue, and a detailed breakdown of such revenue?
6. In the recent past, the SBS used to provide transparency in its Annual Report and at Senate Estimates around its revenue from sponsorship and advertising by disclosing detailed breakdowns of revenue. When and why did the SBS stop providing this level of transparency?

Answer:

1. The budget cuts imposed on SBS in the 2014-15 Budget (\$53.7m over five years) have impacted the provision of services and programs that SBS would have implemented had the cuts not been applied.

These cuts included \$25.2m of efficiency cuts applied to SBS's base for savings from "back office functions" and another \$28.5m in cuts which were to be recouped through the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015.

SBS was forced to absorb the efficiency cuts of \$25.2 million through savings measures already identified, meaning that SBS was unable to make planned investments in Australian content and digital platforms. Having lost this funding, SBS was compelled to reduce its Australian content in order to fund the unavoidable investment in its digital platforms to meet audience expectation, and for which we have never received additional funding.

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The remaining \$28.5 million in cuts was to be obtained through additional advertising flexibility. However, the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015 did not pass the Senate and the Government has returned the funding annually for the previous two financial years, however it has not been put back into forward estimates, meaning that SBS has a current funding shortfall for the FY17-18 year of \$8.8 million.

The SBS's ability to meet its second tranche of cuts is now dependent on the passage of the Communications Legislation Amendment (SBS Advertising Flexibility) Bill 2017. If the passage of the Bill is unsuccessful and the government does not restore SBS's budget to offset these cuts, then SBS will be required to reduce its programs and services. SBS is unable to absorb these additional cuts as "back office" savings measures have already been exhausted.

2. Yes, SBS programs and services are at risk of being cut if the SBS budget is not increased.
3. The SBS Radio Services Review is currently underway. The Review will enable SBS to determine which languages will be provided by SBS radio services and to update its radio schedule to ensure it continues to reflect the needs of the many language communities in Australia today. Subject to funding and the reinstatement of revenue not realised from the failed advertising legislation, SBS will determine the number of language services provided, and how they will be delivered – e.g. via AM/FM, digital radio, digital television, online and/or podcast.
4. SBS is subject to the requirements of the Public Governance Performance and Accountability Act 2013.
5. SBS is transparent as to its sources of revenue and does provide a detailed breakdown of its own sourced revenue (refer pages 60, 63, 65, 75 and 114 of the SBS Annual Report 2016). In addition on pages 151 to 163 there are details of each advertiser and sponsor of SBS.
6. As outlined in the answer to Question 5, SBS continues to provide transparency in its Annual Report (and Portfolio Budget Statements) on its advertising and sponsorship revenue.