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Federal Member for Bradfield
Minister for Communications,
Urban Infrastructure,
Cities & the Arts

MS21-002638

Mr George Savvides AM
Chair
Special Broadcasting Service
Locked Bag 028
Crows Nest NSW 1585

Dear Mr Savvides *George*

I am writing to confirm the next triennium funding arrangements and to set out my expectations of the Special Broadcasting Service (SBS) in undertaking its functions under the SBS Charter and my expectations relating to reporting.

The SBS plays a critical role in the Australian media landscape and the Australian community more broadly. In recognition of this, the Australian Government is providing \$953.7 million in funding for the SBS over three years commencing 1 July 2022. This funding will enable the SBS to continue providing Australians with innovative, comprehensive and high quality broadcasting and digital media services. This funding includes an additional \$37.5 million in ongoing funding to support the long-term sustainability of the SBS.

The SBS will also receive additional funding of \$3.0 million over three years to support the continued provision of audio description services to blind and vision impaired Australians.

The role of the SBS

Under its statutory Charter in section 6 of the *Special Broadcasting Service Act 1991* (SBS Act), among other things, the principal function of the SBS is to provide multilingual and multicultural broadcasting and digital media services that inform, educate and entertain all Australians, and, in doing so, reflect Australia's multicultural society. Consistent with the Charter, the SBS must reflect the diversity of interests in the Australian community through a range of distinctive programs of broad and specialist appeal. The SBS also plays a significant and unique role in the commissioning and provision of Australian programming.

I note that Managing Director of the SBS, Mr James Taylor, wrote to the Department on 23 November 2021 providing the SBS Triennium Cost and Efficiency Review Report, and provided a copy of the report to my office. I would like to thank the SBS for preparing that report, which, together with the recent six-monthly efficiencies progress report, provides comprehensive details of the performance of SBS during the 2019-20 to 2021-22 triennium. The quality of this report helped to provide assurance that the SBS is operating effectively, fulfilling its Charter, and meeting the expectations of the Australian community, in particular multilingual and Indigenous Australian audiences, during recent challenging times.

Relatedly, I can confirm that SBS funding will continue to be exempt from the Commonwealth efficiency dividend.

Australian content reporting

The SBS currently reports on its provision of Australian content through its annual reports. I note that SBS's submission to the Media Reform Green Paper process contends that this reporting is extensive and that additional reporting by the SBS is unnecessary. I also note SBS's concern that any additional reporting be suitably aggregated to maintain the confidentiality of certain financial information.

While the existing arrangements provide a range of valuable information, the Green Paper process demonstrated that the consistency of reporting – over time, between the ABC and SBS, and in comparison with other broadcasters (particularly commercial television broadcasters) – could be enhanced. Some of the areas where the consistency of reporting could be improved were outlined in the Government's Media Policy Statement. The Statement also noted that there is no explicit requirement for the SBS to report on its provision of, and investment in, Australian content, in contrast to commercial and subscription television broadcasters who provide detailed reporting under their respective statutory frameworks.

As publicly funded entities, the Government considers that it is important that the investments made by the ABC and SBS in relation to Australian programming are clear to all Australians, and that there is a degree of consistency in this reporting. Transparency is a key tenet of the Government's ongoing program of reform to harmonise the regulatory settings applicable to media services in Australia.

To address these issues, the Government will establish a National Broadcasters Reporting Framework for Australian Content (the Framework). The Framework will form part of the broader reporting arrangements for Australian content, overseen and administered by the Australian Communications and Media Authority (ACMA). The Government will provide ACMA with an additional \$3.3 million over four years to develop and implement a single, harmonised reporting framework for all content providers, including streaming services, national, commercial and subscription broadcasters.

It is my expectation that the SBS work closely with ACMA in the design and development of the Framework and provide the requested reports to ACMA. To the extent possible, the Framework will draw on, and be consistent with, the reporting arrangements applicable to commercial television broadcasting licensees in reporting compliance and expenditure information on Australian programming.

Given the importance of online platforms in today's media landscape, the Framework would also draw on elements of the new Streaming Services Reporting and Investment Scheme to include information on content made available on SBS On Demand.

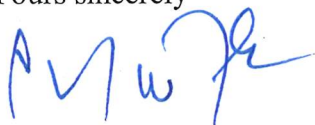
Under the Framework, ACMA would disclose the data and other information contained in the reports it receives from ABC and SBS to the Minister for Communications (and the relevant administering department) to inform the development of screen content policy settings and the Government's broader media reform agenda. ACMA would also publish reports based on the information provided through the Framework, noting that these reports would need to include aggregated information for certain elements to avoid the disclosure of commercially sensitive data.

The table attached to this letter provides an indication of the data that the SBS would be asked to supply to ACMA on an annual basis. These metrics are based on the reporting arrangements in place for commercial television broadcasters and include the amount and genres of Australian content broadcast and made available by the SBS (on its broadcast channels and online), and selected program expenditure information. ACMA will work with the SBS and ABC to develop detailed guidance for their participation in the Framework.

The success of the Framework rests on the voluntary and full participation of the national broadcasters. ACMA and the Department of Infrastructure, Transport, Regional Development and Communications will monitor the operation of the Framework and provide advice to me over time on its operation. As noted in the Media Policy Statement, the Government reserves the option of requiring the ABC and SBS to provide the requested information should the proposed voluntary approach not achieve its objectives.

In setting out the expectations contained in this letter, the Government continues to recognise and respect the SBS's statutory independence and that it perform its functions free from government interference or direction, including the freedom to choose its broadcasting and content (subject to some limitations). Nothing in this letter is to be taken as a direction issued to the SBS by or on behalf of the Government.

Yours sincerely



Paul Fletcher

7/2/2022

NATIONAL BROADCASTERS REPORTING FRAMEWORK FOR AUSTRALIAN CONTENT OUTLINE

| Element | Description |
|-------------------------------------|---|
| Development of the Framework | <p>The Framework would be developed by ACMA over the first half of 2022, working closely with the ABC and SBS. This process would refine and settle the metrics, definitions, processes and other aspects of the Framework, and address any issues arising in relation to data constraints and the publication of data. This process will occur in tandem with ACMA's development of a harmonised Australian content reporting and analytics portal.</p> <p>This attachment provides the starting point for the development of the Framework, although it is anticipated that the metrics and other requested information will need to be refined. Additional metrics may also be included in the requested information.</p> <p>ACMA will develop additional guidance to assist the national broadcasters with reporting under the Framework.</p> |
| Commencement | <p>It is proposed that the Framework commence on 1 July 2022 for the 2022-23 financial year. It is expected that reports would be provided to ACMA within 90 days of the end of each financial year, although this timing would be settled as part of the development of the Framework.</p> |
| Reporting metrics | <p>The Framework is intended to align, to the extent possible, with the reporting by commercial television broadcasting licensees on the transmission of Australian programming and program expenditure information. However, not all data provided by the commercial broadcasters will be relevant to the Framework, given that some of the reporting metrics are tied to specific regulatory requirements.</p> <p>The Framework would also seek additional information regarding the availability of Australian content on the national broadcasters' online services (streaming and on-demand).</p> <p>The final data points requested through the Framework will be settled by ACMA in consultation with the national broadcasters. Indicatively, the type of information that will be sought from national broadcasters is outlined below, drawing on the existing relevant forms.</p> <p><u>Broadcast content – overall transmission of Australian programming</u></p> <p>The national broadcasters will be asked to provide ACMA with information to determine the proportion of total content broadcast on the main channel that is Australian, and the total number of hours broadcast on non-primary channels that is Australian.</p> <p>The relevant form for collecting this type of information from commercial television broadcasters under s121G of the BSA includes the following:</p> |

| Element | Description |
|---------|---|
| | <ul style="list-style-type: none"> • Licence number • On-air ID • Program Name • Start Date • Start Time • End Date • End Time • Duration Claimed • Series Number • Episode Number • Run • Country of Production • Australian Content Non-Sports Coverage • Australian Content Sports Coverage • Broadcast duration of first release Australian Drama on non-primary channels • Duration claimed towards 250 point first release Australian program quota. <p>Source: Form for s121G compliance form (metro) ACMA</p> <p>ACMA will develop a digital reporting form for the national broadcasters based on this form, taking into account that the national broadcasters are not subject to the transmission quota obligation imposed on commercial television broadcasters.</p> <p>In this regard, the information reported by commercial television broadcasters is provided for each capital city, to demonstrate compliance in each licence area. However, to simplify reporting, it is expected that the ABC and SBS would be asked to provide broadcast information for one market (most likely Sydney), and to report relevant variations or 'breakaway programming' for other markets only on an exceptions basis.</p> <p><u>Broadcast content – First-release Australian programming</u></p> <p>The ABC and SBS will be asked to provide information on first-release Australian programs for key genres.</p> <p>The relevant form for collecting this type of information from commercial television broadcasters (B70) includes the following:</p> <ul style="list-style-type: none"> • Program name / title • Name of production company(s) • Type (commissioned, acquired, in-house production) • Category of program (Australian; New Zealand; Aust/NZ; or Official Co-production) • Series number and number of episodes • Total duration (in minutes) • Genre <ul style="list-style-type: none"> ○ Australian drama ○ Australian drama (children's) |

| Element | Description |
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| | <ul style="list-style-type: none"> ○ Australian children's (non-drama) ○ Australian documentary ○ Australian film ○ Australian film (children's) • Claimed points • Production budget per hour (\$) • Licensee's expenditure details: <ul style="list-style-type: none"> ○ Licensee's total expenditure on a commissioned program ○ Licensee's licence fee per first release Australian film ○ Other expenditure ○ Was all financial contribution made before the production was completed? (yes/no). <p>Source: B70 ACCTS quota compliance form (metropolitan licensees) ACMA</p> <p>ACMA will develop a digital reporting form for the national broadcasters based on this form, taking into account that the national broadcasters are not subject to the quota points obligation imposed on commercial television broadcasters.</p> <p><u>Content on national broadcasters' online services</u></p> <p>The national broadcasters will be asked to provide information on the amount of Australian and international content available on their relevant online services. ACMA will develop this aspect of the Framework in consultation with the national broadcasters, taking into account the format of the information already provided in their respective annual reports and the reporting by large subscription video on demand services under the current voluntary reporting arrangements. Definitions used for genre and Australian content would align with those in the BSA and ACCTS applicable to commercial television broadcasting licences, to the extent possible.</p> <p>For streaming services (i.e. live streams of broadcast channels), reporting would be expected to be on an exceptions basis (i.e. only reported if the online stream differed materially from the broadcast feed).</p> <p>For on-demand services (i.e. iView and SBS On Demand) reporting is expected to include aggregated point-in-time information about:</p> <ul style="list-style-type: none"> • Total hours of Australian content available on each service as at the end of the relevant financial year, broken down by: <ul style="list-style-type: none"> ○ genre (as above for broadcast services) ○ new content to the service in that financial year ○ content that is exclusive to the service (not broadcast prior to being available on the service, as at the end of the financial year) ○ content that is made available on the service ahead of broadcast. • Total hours of international content available on each service as at the end of the financial year, broken down by: <ul style="list-style-type: none"> ○ 'drama' and 'other' ○ new content to the service in that financial year |

| Element | Description |
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| | <ul style="list-style-type: none"> ○ content that is exclusive to the service (not broadcast prior to being available on the service, as at the end of the financial year) ○ content that is made available on the service ahead of broadcast. <p><u>Expenditure data</u></p> <p>The ABC and SBS will be asked to provide information on their expenditure on Australian programming by genre and expenditure on overseas programming.</p> <p>The comparable form for collecting this information from commercial broadcasters (B94) includes the following for the relevant financial year:</p> <ul style="list-style-type: none"> • Total Australian program expenditure by content genres: <ul style="list-style-type: none"> ○ adult drama ○ children’s drama ○ children’s other ○ news and current affairs ○ documentaries ○ sport ○ light entertainment – variety ○ light entertainment – other ○ other programming • Overseas program expenditure: total, and broken down by <ul style="list-style-type: none"> ○ Overseas drama ○ Overseas other <p>Source: Form B94 - Collection of program expenditure information ACMA</p> <p>ACMA will develop a digital reporting form for the national broadcasters based on this form.</p> |
| Administration | <p>The Framework will form part of the broader Australian Content Reporting and Investment Framework administered by ACMA. The Government will provide ACMA with \$3.3 million over four years from 2021-22 to develop and implement a single, harmonised reporting framework for all content providers, including streaming services, national, commercial and subscription broadcasters.</p> <p>ACMA will develop guidance material on the new Framework for ABC and SBS.</p> <p>ACMA will assess the data provided by the national broadcasters and this will inform the provision of advice to the Minister on the operation of the Framework. As outlined below, it is expected that ACMA will also publish aggregated reports on its website, similar to the approach for the commercial broadcasters, to provide the public with information on the availability of, and investment in, Australian content. The Government will consider whether any legislative amendments are necessary to enable ACMA to perform this new function.</p> |

| Element | Description |
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| Reporting process | <p>The ABC and SBS would be asked to report to ACMA annually, on a financial year basis, in line with the Framework and associated guidance developed by ACMA.</p> <p>Although the commercial broadcasters report program transmission information on a calendar year basis, financial year reporting would better align with existing annual reporting arrangements by the national broadcasters and may minimise the impacts of additional reporting under the Framework. It is proposed that reports be due to ACMA within 90 days of the end of each financial year. However, as noted above, this timing would be settled as part of the development of the Framework.</p> |
| Definitions | <p>The Framework would utilise the definitions specified in the BSA and ACCTS applicable to commercial television broadcasting licences. Indicatively this would include:</p> <ul style="list-style-type: none"> • ‘Australian program’: as per section 10 of the ACCTS. • ‘Australian drama’: as per ‘Australian drama program’ in section 8 of the ACCTS and not an Australian children’s drama program • ‘Australian children’s drama’: a C or P program that is an Australian drama program as per section 8 of the ACCTS • Australian children’s non-drama: as per ‘Australian children’s program (non-drama)’ in section 8 of the ACCTS • ‘Australian news and current affairs’: a news program as defined in documentary guidelines, or a ‘current affairs’ program as defined in clause 8 of the <i>Commercial Television Industry Code of Practice 2015</i>. • ‘Australian documentary’: as per section 8 of the ACCTS • ‘Australian sport’: as per ‘sports coverage’ in the <i>ACMA documentary guidelines 2021</i> (documentary guidelines) • ‘Australian light entertainment’ - variety’: as per the ‘Australian light entertainment - variety’ definition in the documentary guidelines. • ‘Australian light entertainment – other’: all ‘light entertainment’ programs that meet the description as set out in the documentary guidelines, other than those that would meet ‘Australian light entertainment - variety’. • ‘Australian – other’: all programs that meet the definition of ‘Australian program’ but that would not otherwise meet the other genres of Australian’ program listed. • ‘Overseas program - drama’: a program that would meet the definition of an ‘Australian adult drama’ or Australian children’s drama’, but that does not meet the definition of an ‘Australian program’. • ‘Overseas program - other’: an overseas program that is not a drama program. • ‘Program expenditure’: total program usage plus program amortisation. • ‘Production budget’: in relation to a program, means expenditure that is incurred in, or that is reasonably attributable to, the making of the program <p>The Framework would also use a number of existing constructs.</p> <ul style="list-style-type: none"> • Day-part for reporting purposes: 6.00 am to midnight. |

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| | <ul style="list-style-type: none"> New Zealand content: permitted to be included as Australian content, as per the ACCTS, although ABC and SBS would be able to report this separately as well. |
| Publication | <p>ACMA will finalise the format of reporting in consultation with the national broadcaster and following the collection of information for the relevant financial year.</p> <p>It is expected that the annual reports published by ACMA would include, but not be limited to, the following metrics:</p> <p><u>Broadcast content</u></p> <ul style="list-style-type: none"> Australian program hours broadcast on the main channel between 6:00am and midnight and as a percentage of total broadcast in that day-part for the year. Australian program hours broadcast on non-primary channels. Australian program hours broadcast per channel – by genre. Australian program hours broadcast per channel – first release. <p><u>Online content</u></p> <p>Streaming services: only included in reports if they differed materially from broadcast channels</p> <p>On-demand services:</p> <ul style="list-style-type: none"> total hours and total number of titles of Australian content, as at the end of the financial year, broken down by genre and by whether it is new to the service that year. <p><u>Expenditure data</u></p> <p>Total aggregated expenditure of both national broadcasters for the relevant financial year on:</p> <ul style="list-style-type: none"> Australian programs: total, and broken down by genre Total overseas program expenditure, broken down by ‘drama’ and ‘other’ Total programs <p>In certain circumstances, where commercially sensitive information might otherwise be inferred due to insufficient sampling, further aggregation may be needed.</p> |