

**19 November 2014**

## **SBS advertising changes to hit Australian content**

Free TV has warned that the Government's decision to double SBS prime time advertising limits will have a direct impact on the continued production of quality Australian content.

Free TV Chairman, Harold Mitchell AC said "Any increase in prime time advertising on SBS will come at the expense of the commercial free-to-air broadcasters who are the major investors in quality Australian programming including drama, news and sport."

"In regional areas this is going to hit hard on the provision of regional news and local content."

Under the changes announced today SBS will be able to double their prime time advertising limits to 10 minutes per hour.

Independent analysis of the announced changes shows the likely increase in SBS revenues will be approximately \$200 million over five years, not the \$28.5 million claimed by the Minister.

"Even the Minister in his speech has conceded that his own efficiency review put the figure at a much higher level of up to \$20 million per annum," Mr Mitchell said.

"The Minister's figures are very rubbery."

"This government was elected on the basis of being pro-business, but this decision has been taken without any consultation or consideration of the impact on our businesses."

"There is a finite advertising pie and any increase in SBS revenues will come directly from commercial broadcasters who will in effect be subsidising a government funded broadcaster."

"This makes no sense. Why take money out of companies that not only employ over 15,000 people, but who are also the major investors in Australian content?" Mr Mitchell added.

Last year commercial free-to-air broadcasters invested a record \$1.54 billion on free Australian content in 2013/14, up 11.6% from \$1.38 billion in 2012-2013.

"We are already operating in a challenging environment where broadcasters are competing against new services that are unregulated, pay little or no Australian taxes, and invest virtually nothing in local content production," Mr Mitchell said.

"Any further erosion of our revenue base will inevitably impact on broadcasters' ability to continue their record investment in quality Australian content."

"We call on the government not to penalise Australian businesses."

"We will be seeking the support of the wider production sector and all members of Parliament, to ensure that our valuable Australian production industry is not damaged," Mr Mitchell concluded.

**For more information contact Free TV Australia on (02) 8968 7100**