

Save Our SBS Inc
PO Box 2122
Mt Waverley
VIC 3149
ph: 03 9008 0644
www.SaveOurSBS.org
SaveOurSBS@SaveOurSBS.org



27 February 2018

Committee Secretary
Senate Standing Committees on Environment & Communications
PO Box 6100
Parliament House
Canberra
ACT 2600

by email to: ec.sen@aph.gov.au

**Inquiry into the
*National Broadcasters Legislation Amendment (Enhanced Transparency) Bill 2017***

Save Our SBS Inc is the peak body for *supporters & friends of SBS* represented in all States and Territories and we welcome this opportunity to present our submission about the *National Broadcasters Legislation Amendment (Enhanced Transparency) Bill 2017*¹.

Save Our SBS opposes this Bill.

We are concerned about a number of aspects of this Bill and believe it would fail to improve the operation, accountability or governance of the Special Broadcasting Service Corporation.

This Bill impacts on the ABC and SBS but we shall limit our discussion to how it affects SBS and employees.

If passed, the Bill would publicly identify higher paid SBS employees, initially those whose salaries are above \$200,000 p.a. The Bill provides for that threshold to be adjusted over time according to a formula within the Bill.

We find no convincing argument as to how SBS will be improved or taxpayers better served by the publication of the *names* of the individuals captured under this Bill.

Under section 32 of the *Special Broadcasting Service Act 1991* (SBS Act), the Managing Director is remunerated as determined by the Remuneration Tribunal in accordance with the *Remuneration Tribunal Act 1973*. This has been the case for many years and the Bill serves no purpose in this regard.

According to guidelines provided by the Department of Communications and the Arts and as part of its annual reporting process, SBS publishes its executive remuneration in its annual report² and on its website³. These are the salaries of employees in a de-identified form.

Unlike the Bill, current reporting arrangements protect the privacy of individual employees.

The Bill ignores the fundamental principle that is the basis of Australian privacy laws – to protect privacy. Potentially the Bill may fail to uphold the rights to privacy under Article 17 of the *International Covenant on Civil and Political Rights*.

SBS total revenue is well below that of all other broadcasters. Section 10 of the SBS Act requires it operate in an efficient manner. Both of these limitations place very real restrictions on the wages that SBS may offer any particular employee.

Aside from an individual feeling uncomfortable within the workplace and elsewhere if SBS were to identify each high paid employee, the broadcaster would be at risk of losing a person, particularly on-air talent, to a better resourced – mostly likely commercial rival – offering very much higher salaries. Over time, this would force SBS to elevate its salaries in order to retain good talent.

Although other government agencies and departments publicly provide the salary bands of their employees, none are required to list the individual names.

I am very concerned about listing names for several reasons. Firstly, for commercial reasons—it puts SBS at a commercial disadvantage. As it is, as the smallest broadcaster, we know that we often don't pay the highest salaries. To advertise, if you like, what all our top employees earn would just put us at a commercial disadvantage. It will be harder to retain employees; it will be harder to attract employees.

Lastly, in many conversations I've had with several senior BBC executives, the BBC told me that, since they published names and salaries, all it has done at the BBC is increase salaries right across the board as employees then started asking questions about why they were earning less than colleagues. Their advice at the BBC is absolutely to avoid it at all cost because it does increase costs. I actually think that, together with breaching our employees' privacy, it doesn't make a lot of commercial sense and it's not in the public interest for us to do so because it will drive costs up⁴ (SBS Managing Director, 2017).

Whilst Save Our SBS has firm ideas as to how the public accountability of SBS (revenue reporting, expenses and governance) may be improved, they are not within this Bill.

Save Our SBS Inc does not support the *National Broadcasters Legislation Amendment (Enhanced Transparency) Bill 2017* and urges all politicians to vote against this Bill.

Save Our SBS Inc

References

¹ National Broadcasters Legislation Amendment (Enhanced Transparency) Bill 2017,
https://www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bld=s1111

² SBS, SBS Annual Report 2017, Appendix 21, SBS Executive Remuneration 2016-17, page 164,
http://media.sbs.com.au/home/upload_media/site_20_rand_224099426_sbs_annual_report_2017.pdf

³ SBS, SBS Executive Remuneration 2016/17,
<https://www.sbs.com.au/aboutus/corporate/index/id/229/h/SBS-Executive-Remuneration-2016-17>

⁴ Environment and Communications Legislation Committee, 24 October 2017, Estimates, COMMUNICATIONS AND THE ARTS PORTFOLIO, Special Broadcasting Service Corporation, evidence of Mr Ebeid, SBS Managing Director,
<http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=COMMITTEES;id=committees%2Festimate%2F2442658e-e00e-4e98-98d9-107cc097660b%2F0010;query=Id%3A%22committees%2Festimate%2F2442658e-e00e-4e98-98d9-107cc097660b%2F0000%22>