



Special Broadcasting Service

24 November 2008

Review of Film Tax Offsets
Business Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

To whom it may concern,

SBS notes that the statutory review of the Film Tax Offset currently being conducted by Treasury responds to *"concerns raised by the independent production sector that the offset would result in a shift towards in-house production by the commercial television broadcasters at the expense of the independent production sector"*.

As set out in the Treasury discussion paper, *"SBS has no in-house capacity and its production arm, SBS Independent, relies solely on independent producers"* and as such this review is not directly concerned with SBS's activities in the area. (It should be noted that the SBS department formerly known as SBS Independent has been renamed Commissioned Content as part of the SBS re-branding process. However the philosophy remains: all commissioned content for SBS Television is produced by the independent production sector.)

In the financial year 2007-2008, SBS commissioned 182.5 hours of local content (including drama/ comedy, documentary and entertainment programs) from the independent production sector, up from 165.5 in 2006-2007. The introduction of the Film Tax Offset has had no impact on the way SBS negotiates or sets levels of licence fees.

SBS has long supported measures to ensure the health, diversity and sustainability of the independent production sector as the wellbeing of this sector is central to SBS's success and ability to *'Increase our relevance to all Australians'* (Goal 1, SBS Corporate Plan 2007-2012). SBS has emphasised Australian multicultural content as a central part of its planning for the future (see www.sbs.com.au/future). The SBS Triennial Funding Submission to Government includes a bid for additional funds to commit to 100 additional hours of local content per year.

Given the parameters of this review, SBS will not comment on the effectiveness or challenges of the Offset mechanism at this stage. We would be happy to engage in broader discussions if a more comprehensive review is initiated.

Best regards,

A handwritten signature in black ink, appearing to read 'Bruce Meagher'.

Bruce Meagher
Director, Strategy and Communications