TELEVISION SERVICES FOR THE DEAF AND VISUALLY IMPAIRED
CLAUSES 293 – 297 (AND AMENDMENTS 313 AND 316)

BRIEFING FROM THE SATELLITE AND CABLE BROADCASTERS GROUP (SCBG)

JANUARY 2003

Clauses 293 – 297 of the draft Bill relate to 'Television services for the deaf and visually impaired'. Clause 293 imposes new requirements (which previously related only to digital terrestrial channels) on all cable and satellite channels to subtitle 80%, audio-describe 10% and sign 5% of all their programmes within 10 years of the coming into force of the Act. Provision also exists for OFCOM to set interim targets throughout the 10-year period, as well as to exempt some programmes and channels from the requirements.

The SCBG has previously opposed the imposition of such requirements on the satellite and cable sector which, unlike the traditional public service broadcasters, receives no public subsidy. Cable and satellite channels attract very small audiences, often no more than a fraction of 1% of total UK audience share.

In spite of the significant cost implications for its members (see attached grid), the SCBG has not sought amendments to the Bill seeking the deletion of clauses 293 - 297. The Government's position, announced on 29th January 2001 (following a period of review and consultation) appears settled, and we do not believe that such a route would be constructive. Going forward, the SCBG intends to engage with OFCOM to ensure that the requirements are implemented fairly, with exemptions applying where appropriate.

There are, however, two amendments to the Bill tabled which would alter the conclusions and stated policy aims of the Government's consultation, and which we would ask the Committee to oppose.

AMENDMENT 313 – INCREASE IN AUDIO-DESCRIPTION FROM 10% TO 50%

This amendment seeks to increase the audio-description requirement from 10% to 50% of all programmes. The SCBG opposes such an increase, which would add to the already considerable financial burden on individual cable and satellite channels from these requirements, and be quite disproportionate in relation to the number of people who would benefit from the service. The Government's own consultation, published January 2001, itself found that the 10% requirement for DTT, as applied to cable and satellite, should remain unchanged.

The attached grid shows the cost (in the first and after the tenth year) to the cable and satellite industry, and to each channel, of meeting the quotas for the three services. Columns A and B show that the 10% audio-description requirement in year 1 will cost the industry £3.8m, or £20,652 per channel, rising to £38.4m after year 10, or £208,696 per channel. **A five-fold increase in the requirement to 50% would mean total industry cost rising to £19m in year 1 (£103,000 per channel), and £192m after year 10 (1.04m per channel).**

This huge additional cost must also be understood in the context of the smaller number of people who actually stand to benefit from audio-described programmes on cable and satellite channels compared, for example, to subtitling.

There are approximately 2 million people in the UK who are sight-impaired, blind or partially sighted, and therefore potential beneficiaries of audio-description (RNIB website), compared to the 8.7 million deaf or hard of hearing who may benefit from subtitling (RNID website).

At the 10% quota, the average cost per potential user for audio-description is similar to that for subtitling at 80%. This reflects the fact that, while expenditure on subtitling is greater than for audio-description, it is divided across a much greater number of potential users. In other words, the cost-benefit ratio for both services (at different quota levels) is the same.

With a 50% audio-description quota, however, the average cost per potential user is approximately five times greater than for subtitling, reflecting an imbalance in the treatment of one service over another.

The SCBG therefore urges the Committee to reject amendment 313, and to support the Government's existing, and more equitable, proposals.

AMENDMENT 316 – CUT IMPLEMENTATION PERIOD FROM TEN TO FIVE YEARS

The conclusions from the Government's own consultation on subtitling, audio-description and signing provision, published in January 2001, were that a ten-year implementation time-scale was appropriate for the identified requirements.

Cutting by half the period in which these quota requirements must be implemented will double the already huge expenditure expected from the industry each year up to year 5 (if, as currently for DTT, the requirements are to be phased in by equal amounts every year).

The total cost to industry of implementing the full requirements, for all three types of service, will be approximately £223 million each year, or £1.2million on average for each channel – in many cases this will be a significant proportion of their entire programming budget. **Halving the amount of time for implementation will bring forward this huge cost by 5 years, with significant implications for channels' strategic planning processes and, indeed, survival in a difficult and uncertain market.**

The SCBG urges the Committee to oppose amendment 316, and support the previously announced Government policy proposal for a ten-year implementation period.

SUBTITLING, AUDIO-DESCRIPTION AND SIGNING QUOTAS: INDUSTRY AND PER CHANNELS COSTS

	A	B
	TOTAL COST TO INDUSTRY (184 CHANNELS) NB. TOTAL NO. OF CHANNELS IS LIKELY TO INCREASE OVER TIME.	**AVERAGE COST PER CHANNEL** (TOTAL COST DIVIDED BY 184)
SUBTITLING. COST £320 PER HOUR (NON-LIVE)/£500+ (LIVE)		
SUBTITLING IN YR.1 (8%)	£20.7m	£112,500
SUBTITLING AFTER YR.10 (80%)	£165.2m	£897,826
AUDIO-DESCRIPTION. COST £700 PER HOUR		
A/D IN YR.1 (1%)	£3.8m	£20,652
A/D AFTER YR.10 (10%)	£38.4m	£208,696
A/D IN YR.1 (5%)	£19m	£103,261
A/D AFTER YR.10 (50%)	£192m	£1.04m
SIGNING. COST £800 PER HOUR		
SIGN IN YR.1 (0.5%)	£2m	£10,870
SIGN IN YR.10 (5%)	£19.9m	£108,152
ALL SERVICES		
IN YR.1	£26.5m	£144,022
AFTER YR.10	£223.5m	£1.2m

NOTES ON THE CALCULATIONS

1. The ‘total cost to industry’ figures were reached by (i) calculating the average cost of providing the service for a specific genre of channel, reflecting three key variables (see below); (ii) multiplying the average genre cost by the number of channels in that genre; and (iii) aggregating the figure for each genre into the total industry figure. Key variables taken into account were:

- the average length of channel broadcasts each day in each genre, for example 24-hour news channels compared to (typically) 12-hour life-style channels;
- programme repeat factors for different genres of channel, for example a repeat factor of 1 is taken for 24-hour news channels, while one of 6 is taken for documentary channels;
- the relative amount of non-live, as opposed to live provision of the services that each genre of channel would require, for example sports channels will require greater amounts of live subtitling than a lifestyle or film channel.

2. The calculations exclude promotion, presentation and advertising from programming hours.

3. As of November 2002, there were 184 cable and satellite channels on the digital satellite platform, excluding the public service broadcasters' channels, interactive services, and multiplexed versions of channels. Even though these channels and services (apart from the PSBs) will, because they require TLCS licences, be subject to the same subtitling, audio-description and signing requirements, they have not been included in the calculations. This is because either they consist entirely of repeated material (in the case of multiplexed channels), or the SCBG intends to seek exemption from the provisions (e.g. for interactive services).

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