

**Senate Standing Committee on Environment, Communications and the Arts**  
**Answers to Senate Estimates Questions on Notice**  
**Supplementary Estimates Hearings October 2010**  
**Broadband, Communications and the Digital Economy Portfolio**  
**Special Broadcasting Service Corporation**

**Question No: 24**

**Hansard Ref: EC 62**

**Topic: DVD releases and captions**

**Senator Fifield asked:**

Can you provide a breakdown year by year, from 2006 to 2010 of the DVD releases and the numbers which included captions?

**Answer:**

	Released	Closed Captioned / Subtitled
2006	10	0
2007	83	9
2008	55	15
2009	58	12
2010 (to end October)	49	10

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**Question No: 25**

**Hansard Ref: EC 62**

**Topic: DVD *First Australians***

**Senator Fifield asked:**

In relation to the release of the DVD *First Australians*; what was the gap between the first and second DVD release?

**Answer:**

Nine months. First release date was December 2008. Second release date was August 2009.

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**Question No: 26**

**Hansard Ref: EC 63**

**Topic: DVD releases and captions**

**Senator Fifield asked:**

When a program is broadcast with captions, why is it not a straightforward thing to release the DVD with captions?

**Answer:**

The main reason is timing. The preparation of closed captions is the last element of the program preparation process and is usually done as close to the scheduled broadcast date as possible for reasons relating to efficiencies and workflows. SBS DVD attempts to release DVDs as close as possible to their broadcast date which means that the DVD production process has to begin well in advance of that date.

SBS DVD is currently reviewing its processes to identify how it can maximise its output of DVDs with closed captions.

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**Question No: 27**

**Hansard Ref: EC 63**

**Topic: Australian Visual Software Distribution Association**

**Senator Fifield asked:**

Is the SBS a member of the Australian Visual Software Distribution Association?

**Answer:**

No. SBS is not a distributor. Madman Entertainment distributes DVDs on SBS's behalf. Madman Entertainment is a member of the Australian Visual Software Distribution Association.

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**Question No: 28**

**Hansard Ref: EC 63**

**Topic: DVD releases and captions**

**Senator Fifield asked:**

Can you provide a list of prime time TV programs that go to air with captions but do not go to DVD with captions?

**Answer:**

Under the *Broadcasting Services Act 1992*, all English-language television programs broadcast between the hours of 6.00pm to 10:30pm (prime viewing hours) have to be captioned. The following television programs broadcast on SBS during prime viewing hours (first run or repeat) and released by SBS on DVD in 2010 (to end October) were:

- Not captioned: Angels in New York; Coast (Series 2); Costa's Garden Odyssey (Series 2); Death of the Megabeasts; Eating Art; Engineering Connections (Series 2); Erotic Tales; Gourmet Farmer; Italian Food Safari; James May's Big Ideas; James May's Toy Stories; Lancaster at War; Luke Nguyen's Vietnam; The Operation: Surgery Live; Shintaro!; Skins (Series 4); Taste le Tour with Gabriel Gate; Unexplained; Who Do You Think You Are? (UK) (Series 1-4 Box Set); Wilfred (Series 2); Tetsuya's Pursuit of Excellence.
- Captioned/subtitled: 2010 FIFA World Cup Final; Humanimal; The Killing (Volumes 1 & 2); Living with the Enemy; Under the Spell of Horses.

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**Question No: 29**

**Hansard Ref: EC 64**

**Topic: Download and streaming versions of SBS programs**

**Senator Fifield asked:**

Why don't the download and streaming versions of SBS programs contain captions?

**Answer:**

Closed caption data files have to be converted for use online. SBS currently does not have the technical capacity to do this as an automated process. It requires a technical solution particular to SBS's technological systems and workflows.

SBS recently began the process of scoping the specifications for an upgrade to its online video player so that this can be done. SBS envisages that this upgrade will be rolled out in three phases: March 2011, October 2011 and July 2012.

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**Question No: 30**

**Hansard Ref: EC 66–67**

**Topic: Advertising and sponsorship**

**Senator Ludlam asked:**

Can you disaggregate the advertising and sponsorship breakdown? For example, can you tell us the forecast figures for revenue from television-only advertising for those forward estimates?

Can you provide for the four years in the forward estimates, a disaggregation of where you think your ad revenues are going to come from? Specifically I am looking for the TV, as you have just given us, but any more detail you can provide as to where you think it might come from. In retrospect, when you look back at projections how accurate have your forecasts of future ad revenues been in the past? Are these reasonably reliable estimates?

What are your television revenues for the in-program advertising?

Can you also provide, looking back over the last three years, the percentage of advertising revenue. Can you give us that number for television revenues for 2007-08 and 2008-09 (broken down by commercial activity: television, radio, online et cetera)?

Are you able to give us a percentage of your advertising revenues for the last financial year that accrue directly from sports broadcasting?

**Answer:**

(a) Forecast revenue from advertising and sponsorship as at October 2010 is set out in the table. These figures are slightly different from those provided in the Corporate Plan 2010–13 as the budget figures have been revised since its publication.

	<b>2010-11</b> (\$'000)	<b>2011-12</b> (\$'000)	<b>2012-13</b> (\$'000)	<b>2013-14*</b> (\$'000)	<b>2014-15</b> (\$'000)
Television	55,828	59,288	62,590	87,330	71,482
Online	3,000	3,407	3,839	4,243	4,349
In Language	5,619	6,056	6,467	6,996	7,171
Content Sales**	6,480	7,440	8,228	8,568	8,875
Subscription TV**	13,768	14,253	14,855	15,488	15,876
<b>Total</b>	<b>84,695</b>	<b>90,444</b>	<b>95,979</b>	<b>122,625</b>	<b>107,753</b>

\* FIFA World Cup year.

\*\* The Corporate Plan 2010–13 included content sales and subscription television revenue in the advertising and sponsorship category.

(b) As above.

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(c) Forecasts of future advertising and sponsorship revenues as set out in the previous Corporate Plan (2007-08 to 2009-10) have been accurate within a range of -6% to 8%.

SBS provides best available current estimates when it forecasts future advertising and sponsorship revenue. SBS has recently reduced the 2010-11 television advertising revenue by \$2m in response to the impact of the new commercial free-to-air digital multi-channels. As with most estimates those for the more current years should be more reliable than the estimates for future years.

(d) SBS estimates that if it had not changed its advertising model to include in-program breaks , revenue for television advertising and sponsorship would be approximately \$20m for 2010-11. SBS's total television advertising and sponsorship revenue is estimated to be \$56m for 2010-11. As such, it is estimated that the previous advertising model would have produced a \$36m shortfall against current projections.

(e) Advertising and sponsorship revenue by category.

	<b>2007-08</b> (\$'000)	<b>2008-09</b> (\$'000)	<b>2009-10*</b> (\$'000)
Television	46,288	52,461	72,348
Online	1,347	1,828	2,045
Radio	2,186	2,379	2,574

\* FIFA World Cup year.

(f) Sports revenue varies greatly from year to year depending on the events for which SBS has the broadcast rights. For example, in 2009-10 SBS received \$17m for the World Cup and \$5.7m for the 2009 Ashes and One Day International series, all of which went to cover the costs of acquiring and producing the coverage of each event. Including those events, the proportion was 34.7%. Excluding those events, standard sports revenue was 4.6%.



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**Question No: 31**

**Hansard Ref: In Writing**

**Topic: SBS Online news service**

**Senator Birmingham asked:**

In relation to online news service, how many languages do you currently provide Australian news for?

**Answer:**

Australian news and current affairs is provided in-language at the beginning of SBS Radio's language programs. These programs are available online, on demand, within 24 hours of the program going to air (with some available as podcasts). This service is currently available for 65 of SBS's 68 language programs.

On 24 November 2010 SBS will launch a Virtual Community Centre for Chinese Australians. This service will feature news headlines and stories in Mandarin and Cantonese.

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**Question No: 32**

**Hansard Ref: In Writing**

**Topic: Contractors – SBS**

**Senator Birmingham asked:**

Has SBS ever employed Hawker Britton in any capacity or is it considering employing Hawker Britton? If yes, provide details.

Has SBS ever employed Shannon's Way in any capacity or is it considering employing Shannon's Way? If yes, provide details.

Has SBS ever employed John Utting & UMR Research Group in any capacity or is it considering employing John Utting & UMR Research Group? If yes, provide details.

Has SBS ever employed McCann-Erickson in any capacity or is it considering employing McCann-Erickson? If yes, provide details.

Has SBS ever employed Cutting Edge in any capacity or is it considering employing Cutting Edge? If yes, provide details.

Has SBS ever employed Ikon Communications in any capacity or is it considering employing Ikon Communications? If yes, provide details.

Has SBS ever employed CMAX Communications in any capacity or is it considering employing CMAX Communications? If yes, provide details.

Has SBS ever employed Boston Consulting Group in any capacity or is it considering employing Boston Consulting Group? If yes, provide details.

Has SBS ever employed McKinsey & Company in any capacity or is it considering employing McKinsey & Company? If yes, provide details.

**Answer:**

(a) No.

(b) No.

(c) No.

(d) No.

(e) No.

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(f) No.

(g) No.

(h) No.

(i) No.

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**Question No: 33**

**Hansard Ref: In Writing**

**Topic: Media Subscriptions – SBS**

**Senator Birmingham asked:**

Does your department or agencies within your portfolio subscribe to pay TV (for example Foxtel)? If yes, please provide the reason why, the cost and what channels.

Does your department or agencies within your portfolio subscribe to newspapers? If yes, please provide the reason why, the cost and what newspapers.

Does your department or agencies within your portfolio subscribe to magazines? If yes, please provide the reason why, the cost and what magazines.

**Answer:**

SBS currently subscribes to Foxtel (all channels) at a cost of \$3,290 per month in order to keep abreast of local and international industry developments including content offerings and news and current affairs and sports coverage.

SBS also purchases newspapers and magazines (mainly newspapers – domestic and international) at a cost of about \$8,000 per month in order to keep abreast of local and international industry developments and news and current affairs coverage.

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**Question No: 34**

**Hansard Ref: In Writing**

**Topic: Advertising and Marketing – SBS**

**Senator Birmingham asked:**

How much has SBS spent on advertising and marketing since Budget Estimates?

Could SBS provide a complete list of current contracts. Please indicate the rationale for each service provided and its intended use.

What communications programs has SBS undertaken since additional estimates and what communications programs are planned to be undertaken? For each program, what is the total spend?

**Answer:**

(a) \$2.9m. Publicity and marketing campaigns to publicise SBS's television and radio programs.

(b) Razor Pty Ltd: advertising agency services including brand and communications strategy, creative development, media strategy and placement. Access PR: public relations agency services. Torque: Customer relation management and direct agency services to assist SBS with audience database management.

(c) Nil.

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**Question No: 35**

**Hansard Ref: In Writing**

**Topic: Staffing Levels – SBS**

**Senator Birmingham asked:**

What is the total expenditure on staffing for SBS? What is the SES and non-SES breakdown?

What are the current staffing levels for SES and non-SES officers?

How many SES were employed in SBS on 10 May 2010?

How many SES were employed in your Department and portfolio agencies as of today?

What is the breakdown by each level (each SES band, each Executive Level band and each APS band)?

What is the gender breakdown by each level (each SES band, each Executive Level band and each APS band)?

What is the breakdown by location for each level (each SES band, each Executive Level band and each APS band)?

What is the breakdown by each level of ongoing staff and non ongoing staff (each SES band, each Executive Level band and each APS band)?

What has been the general staffing trend in SBS since the 2007 election (for example SES numbers and recruitment has increased by X per cent because of Y).

What have been the changes in staffing levels since Budget Estimates 2010? Why have these changes occurred? What have been the Budgetary implications? In the case of reductions in staff numbers, how have these reductions been absorbed by SBS? What functions these staff performed have been sacrificed and why?

Are there expected changes to current staffing levels over the next 12 months? If yes, provide details including a breakdown of each level staff (each SES band, each Executive Level band and each APS band) detailing the changes. Will this be different to what was reported in the 2010-11 Budget?

Has there been a target for staff reductions to achieve savings? What is that target and what strategy is being implemented to achieve this? Will staff reductions be used to achieve the Government's election commitment to maintain the 1.25 per cent efficiency dividend?

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Have any voluntary or involuntary redundancies been offered to staff? If so, how have staff been identified for such offers? Are there such plans for the future?

How many permanent staff recruited since Budget Estimates 2010? What level are these staff? Where is their location?

Since Budget Estimates 2010, how many employees have been employed on contract and what is the average length of their employment period?

Have staffing numbers been reduced as a result of the current efficiency dividend and/or other budget cuts since Budget Estimates 2010? If so, where and at what level?

Are there any plans for staff reduction? If so, please advise details i.e. reduction target, how this will be achieved, services/programs to be cut etc.

If your Department/agency has been identified in the 2010 election as delivering efficiencies (savings), how will these be delivered? (for example, savings commitments included reducing program funding, rationalising grants etc how will these impact SBS and staffing)

What changes are underway or planned for graduate recruitment, cadetships or similar programs? If reductions or increases are envisaged please explain including reasons, target numbers etc.

**Answer:**

(a) \$86.709m. As SBS employees are not employed under the *Public Service Act 1999* SBS does not classify staff as SES/non-SES. SBS senior executives are persons engaged by SBS who are concerned in, or take part in, the management of SBS, other than as a director. In 2009-10 the breakdown for total expenditure on staffing was: senior executives – \$1,950,720; other – \$84,758,280.

(b) SBS employees are not employed under the *Public Service Act 1999*. Current staffing levels for senior executives (as set out above) and other officers as at 28 February 2010: SBS senior executives – 6; other – 862.

(c) SBS senior executives – 6.

(d) SBS senior executives – 6.

(e) SBS senior executives – 6. Other – 862.

(f) SBS senior executive: male – 4; female – 2. Other – male 435; female 427.

(g) SBS senior executive: Sydney – 6. Other: Sydney – 711; Melbourne – 140; Canberra – 10; Brisbane – 1.

(h) SBS senior executive: non-ongoing – 6. Other: ongoing – 540; non-ongoing – 322.

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(i) FTE equivalent at November 2007 – 767.96. FTE equivalent at October 2010 – 821.37. Insourcing of SBS TV sales; engineering infrastructure support for digital transition; resources for preparation and delivery of content over additional platforms including online, and SBS's digital multichannel SBS TWO; resources for audience research and program campaigns. Increases have been met via efficiency gains and additional non-Government revenue. SBS is continually looking to achieve further efficiencies to fund new content, maintain its ageing infrastructure and participate in new technologies.

(j) FTE equivalent at May 2010 – 834.39. FTE equivalent at October 2010 – 821.37.

Reductions in staff numbers in the SBS Subtitling Unit to reduce excess capacity following an independent review by commissioned by SBS from consulting firm Deloitte. SBS will continue to use a mixed-model to source its subtitles including, as now, from the in-house unit and freelance staff. It will explore commissioning some subtitles from well-credentialed international subtitling companies and will increase, subject to quality, the use of subtitles which are supplied with some of the programs SBS buys from overseas.

Reductions in staff numbers in news and current affairs identified in the 2010-11 budget planning process which will be alleviated by more efficient rostering and new technology.

(k) No major changes are envisaged.

(l) No. Not applicable. SBS is not subject to the efficiency dividend.

(m) In 2010-11 to date there have been 28 redundancies (as at end October 2010). The SBS Certified Agreement 2008 does not provide for voluntary redundancies. Under the Agreement, SBS may determine that an employee is redundant where: (a) their skills or talents are no longer relevant to program requirements; or (b) they are no longer required for the efficient and economical operation of SBS; or (c) their services cannot be used effectively because of technological change or other changes in work practices; or (d) their function is transferred to another location and they are not willing to relocate.

(n) 14, all in Sydney. No SBS senior executives.

(o) 8; 2 years.

(p) SBS is not subject the efficiency dividend and has not had its budget cut.

(q) Not applicable.

(r) Not applicable.



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(s) SBS is currently recruiting three graduate journalists as part of its SBS News and Current Affairs journalism cadetship program, one of which is an Indigenous Australian position. This is an increase of one position on 2009-10.

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**Question No: 36**

**Hansard Ref: In Writing**

**Topic: Government Payments of Accounts – SBS**

**Senator Birmingham asked:**

Has SBS paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (i.e. within 30 days)? If not, why not, and what has been the timeframe for payment of accounts? Please provide a breakdown, average statistics etc as appropriate to give insight into how this issue is being approached.

For accounts not paid within 30 days, is interest being paid on overdue amounts and if so how much has been paid by the portfolio/department agency for the current financial year and the previous financial year?

Where interest is being paid, what rate of interest is being paid and how is this rate determined?

**Answer:**

(a) SBS is not subject to Government policy in this respect. SBS's policy in respect of contractors/consultants is generally payment in 14 days. For other payments, SBS's normal payment terms are 30 days. Payments are made in accordance with agreed terms of trade (generally 30 days or less) and SBS policy.

(b) Accounts are paid within the terms of trade. No interest is payable.

(c) Not applicable.

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**Question No: 37**

**Hansard Ref: In Writing**

**Topic: Travel Costs - SBS**

**Senator Birmingham asked:**

The 2009-10 Mid Year Economic and Fiscal Outlook detailed a whole-of-government coordinated procurement arrangements for travel and related services. How has this applied to SBS? Please explain the changes that have occurred to SBS in relation to its travel and related services.

Is purchasing of travel and related services less expensive under the new arrangements?

Is purchasing of travel and related services more efficient under the new arrangements?

Have savings been achieved in SBS because of the new arrangements?

How much did SBS spend on travel in 2008-09, 2009-10 and to date this financial year.

How have staff within SBS found the new arrangements? For example is it more efficient to arrange travel?

**Answer:**

(a) SBS, as a *Commonwealth Authorities and Companies Act 1997* (CAC Act) agency, is not covered by the arrangements.

(b) Not applicable.

(c) Not applicable.

(d) Not applicable.

(e) Not applicable.

(f) Not applicable.