

Senate Standing Committee on Environment, Communications and the Arts
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearings October 2009
Broadband, Communications and the Digital Economy Portfolio
Special Broadcasting Service Corporation

Question No: 106

Hansard Ref: ECA 55

Topic: SBS ONLINE PROGRAM CONTENT

Senator Ludlam asked:

Is there a policy whereby after a certain period content is removed from the website or are you starting to hold that material in perpetuity?

Answer:

A number of factors affect SBS's ability to make content, including its substantial collection of archived programs, available on its website. While SBS is keen to offer as much content as possible online, SBS does not receive any appropriation for its online activities and has to assess its priorities on this basis.

There are five main factors which determine the way in which SBS programs are stored and displayed online:

1. License cost of the content.
2. Available license period for the content.
3. Cost of preparing, managing and archiving the content.
4. Cost of storage and bandwidth associated with consumers viewing the content.
5. Relevance to audience.

SBS Online intends to offer as much programming online as the SBS budget and licence agreements allow in order to:

- build loyalty with existing audiences;
- cater to generational behaviours in media consumption ('on demand' behaviours);
- exploit the delivery opportunities provided by broadband;
- reach out to new audiences.

However, SBS is facing significant constraints on all counts given the minimal funding available to cater to the growth of SBS Online and its role as a distribution platform for SBS programming in the future.

Availability windows

Full programs

At present SBS Online offers approximately 70 per cent of SBS Television's acquired prime time (6pm-midnight) programming and 80 per cent of SBS-commissioned programming as a full-length 'catch-up' service. SBS Online's goal is to provide 100 per cent of all SBS programming as an on-demand service, as well as live streaming of selected broadcast events.

Depending on the rights SBS is able to secure for both commissioned and acquired programming, SBS Online is able to make the programs available on the SBS website for a period of between seven days and up to one month after broadcast.

As SBS generally buys a licence in programming, program makers are only ever willing to offer an online licence which corresponds to the broadcast window, for example to allow a 'simultaneous broadcast'.

News and Current Affairs

In the case of news and current affairs television programming, SBS offers all programs on-demand, as well as range of 'feed' services from the BBC and CNN.

World News Australia stories are only offered for a period of three days. This window is determined by relevance of the content and the prohibitive logistics and storage costs involved in storing thousands of news clips per year.

Episodes of *Dateline* and *Living Black* are offered online for a period of two years and episodes of *Insight* for a three year period. SBS would like to be able to make available as an online service the entire archives of *Dateline*, *Living Black* and *Insight*, however SBS currently does not have the resources to digitise and upload these archives to the SBS website.

Web hosted storage costs

In addition to the production costs involved in publishing material online, there are two main costs associated with making video content available on demand:

1. Storage costs.
2. Bandwidth costs.

Storage costs

SBS Online pays to have its sites hosted by an external service provider, the monthly costs for which include data storage. SBS's appropriation has not been increased to reflect these new costs, therefore it does not have the budget to provide an entire and perpetual archive of SBS programming on its website.

CDN bandwidth costs

SBS would like to make more material available either on-demand, or as a live stream, however SBS is significantly constrained by the costs charged by content delivery networks (CDNs) for delivering the material.

As an indication of these costs, SBS offered the Tour de France broadcast as a live stream online. Over the 21 days of the event 245,000 live streams were served. The cost from the CDN for the live streams alone (not including the 2 million highlights clips that were served) was approximately \$100,000.

It is in this context that SBS Online must be reasonably selective about what it can offer online as it is only budgeted for current levels of output. For example SBS has the rights to offer both live streaming and full on-demand services for the 2010 FIFA World Cup. If SBS were to achieve the size of audience anticipated (an audience of two to three million people online) the bandwidth costs for serving video to that audience could be as much as, or more than, the total amount of revenue earned through online advertising from the event. However SBS currently has no extra

budget (other than what it earns through advertising revenue) to stage the event as an online video broadcast.

Other potential offerings and limitations

SBS is the curator of a valuable and unique legacy. SBS has a substantial collection of archived programs produced by and for SBS Radio and SBS Television, representing the most comprehensive visual and aural record of multicultural Australia in the country. SBS does not however have a centralised archive function. While SBS's newsroom in Sydney is being converted to a fully digital set-up, SBS does not have the functional or financial ability to cope with ingesting SBS's legacy tapes.

The potential for further use of SBS's archived content is broad, and includes reusing program assets online, facilitating research and fair dealings and unlocking commercial revenue opportunities. SBS has been able to use some of its archived content on its website, for example some program material has been repurposed for the food portal on the SBS website. There are however significant barriers to achieving greater public accessibility and reuse of SBS's archives. The main barriers are the lack of resources to deal with ongoing preservation and maintenance, and contractual and copyright restrictions which mean that the clearance of rights for digital reuse of content is extremely complex, time-consuming and in some cases impossible.

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Question No: 107

Hansard Ref: ECA 55/56

Topic: ADVERTISEMENTS IN FEATURE FILMS

Senator Ludlam asked:

With regard to SBS policy that films longer than 60 minutes should be broadcast with only two breaks, I am aware of a number of instances in which programs longer than 60 minutes are being broadcast with up to five breaks. One example is the German film *Eight Miles High* screened at 11.00pm on 11 September 2009 which ran for nearly two hours and had five breaks. Could follow up on that.

Answer:

SBS's 'Guidelines for the Placement of Breaks in SBS Television Programs' (the Guidelines) include an indicative guide for the placement of breaks in scheduling slots ranging from 10 minutes (no breaks) to 60 minutes (three breaks).

SBS's internal policy in respect of feature films (films longer than 60 minutes) is that they will be broadcast with only two breaks (feature film rule). This is a variation on the Guidelines.

SBS recently issued an internal guideline clarifying that other genres of programs longer than 60 minutes (for example feature length documentaries) were not subject to the feature film rule, and should be dealt with as set out in the Guidelines. In the process of communicating this information, a genre reference was misinterpreted and the instruction was construed as applying to feature films. The instruction came into effect on 1 September. When the mistake was picked up on 17 September SBS immediately reverted to its two breaks per feature film rule.

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Question No: 108

Hansard Ref: ECA 61

Topic: AUDIENCE ENGAGEMENT THROUGH SOCIAL MEDIA ACTIVITIES

Senator Wortley asked:

Following up from a question in the May budget estimates on the development of audience engagement through the new social media activities such as Facebook and Twitter, how are they progressing?

Answer:

In recognition of the need to engage more deeply with audiences, SBS intensified its focus on audience engagement in 2009 with the creation of an engagement marketing team dedicated to building communities of audiences and growing SBS's direct marketing activities. The engagement team provides a connection between SBS's direct marketing activities and new social media tools.

Key to this new focus has been the effective utilisation of social media channels, and the development and implementation of a social media strategy for SBS.

SBS considers these channels as critical for establishing better connections with sophisticated and diverse audiences who are looking for online tools to engage with SBS content. However, SBS does not receive any appropriation for its online activities and has to assess its priorities on this basis.

SBS is working to develop communities around the SBS brand through an SBS Facebook fan page. SBS also successfully uses Facebook fan pages to engage audiences around key genres such as sport with Cycling Central and The World Game, and SBS's current affairs programs *Insight*, *Dateline* and *Living Black*.

A similar approach has been taken with Twitter. SBS has developed an SBS Twitter account which focuses on SBS from a brand level, and has also developed Twitter accounts dedicated specifically to key genres such as SBS Food, SBS Documentaries, SBS Film, Cycling Central and The World Game. For priority programs that already have an established community SBS has created accounts such as *Eurovision*, *Dave in the Life* and *ADbc* to capture the audience and add value to the program engagement.

SBS is also integrating Twitter into SBS Radio programming, launching accounts for three programs – *Alchemy*, *Croatian* and *Dutch* (with more in development) – enabling SBS to connect with youth audiences.

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SBS Facebook properties

- SBS Six Billion Stories and Counting
- Cycling Central
- Dateline
- Insight
- Living Black
- The World Game

SBS Twitter properties

- SBS Six Billion Stories and Counting
- SBS Documentaries
- SBS Film
- SBS Food
- SBS Radio – Alchemy
- SBS Radio – Croatian
- SBS Radio – Dutch
- SBS World News Australia