
SENATE QUESTION

QUESTION NO. 2386.

Senator Conroy asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 19 October 2012:

1. In regard to the transition of National Indigenous Television (NITV) into the Special Broadcasting Service (SBS), will NITV staff be paid at the same rate as SBS staff when the transition and probationary period is complete?
2. How is SBS applying recent funding increases to equipment upgrades and increases in staffing levels in radio or operations areas?
3. How many full-time equivalent staff are employed by SBS compared to casual or part-time staff?
4. Has SBS introduced full in-program advertising breaks to programs on the SBS On Demand service?
5. Was the On Demand service previously operating with a single advertisement before each program, and with no advertisements during the program?
6. Did SBS make a public statement that it intended to insert advertising breaks into internet television programs?
7. Do advertisers pay a smaller amount or nil payment for 'play only' advertisements, and a higher amount for each 'click on the advertisement' advertisement?
8. How is the On Demand advertisers rate card calculated and what does SBS charge?
9. Will SBS re-introduce the 'skip advert' button that was removed from the On Demand player?
10. What percentage of total revenue does SBS expect to generate from forcing advertisement breaks into the On Demand service?
11. In the 2011-12 financial year
 - (a) of the \$46 million that was revenue generated from advertisements on SBS television as articulated during the 2012-13 Budget estimates hearing of the Environment Communications Legislation Committee, what percentage of advertisements were positioned between programs only; and
 - (b) how much did SBS spend on local Australian television production and the commissioning of such programs.
12. Did SBS lawyers check and approve 'The Last Frontier' program before it was aired?

13. What interaction did management have with the SBS Ombudsman on 'The Last Frontier' matter?
14. Is it usual for a utility to go directly to the head of SBS with a grievance and to lobby for an apology?
15. What time frame does the SBS Ombudsman usually have to decide on such matters and how does that compare with the decision on 'The Last Frontier'?
16. Does Hydro Tasmania advertise on SBS; if so, what revenue does SBS generate from this?
17. Did the SBS Ombudsman consult with others to provide a right-of-reply in relation to the Hydro Tasmania complaint?
18. Will *Dateline* make available on its website the full interviews with Hydro Tasmania and the Sarawak companies, to enable viewers to be fully informed and make independent decisions in relation to the story?

Senator Conroy – The answer to the honourable senator's question is as follows:

1. SBS is committed to ensuring that transferring NITV employees are classified and paid at a comparable level to their SBS colleagues when their transition and probationary periods are completed.

During their first six months of employment SBS will be reviewing the roles of transferring NITV employees as NITV's business systems, work practices and work flows are aligned with SBS's existing operations. If the position of any transferring NITV employee is found to be under-classified relative to a comparable SBS position performing similar levels and complexity of work, similar duties with similar levels of responsibility, and subject to the skills and abilities of the transferring employee being found to be at a similar level as is required for the comparable position, the classification of the transferring NITV employee may be adjusted following the review.

Furthermore, if the review finds the transferring NITV employee has been performing the same duties at a similar level with similar skills as is required for the comparable position during the period of the review, the adjustment to the transferring employee's classification may be backdated to a date to be determined by SBS, rather than the adjustment taking effect from the end of the review period.

2. SBS received a one-off \$5m catch-up in capital funds as part of the funding boost in 2011-12. This funding was used to maintain SBS's existing capital base. The \$5m has been used towards various projects throughout SBS such as:
 - Studio 2 audio and video desks
 - Broadcast media storage
 - Upgrade to tech check facilities
 - Media grid works
 - Disaster Recovery site fibre works
 - Delay units (Radio)
 - Radio loggers (auto ingest of 40 radio sources)

The \$13.4m funding boost received in 2012-13 is being used to:

- address revenue decline in television advertising revenue against budget;
- offset the predicted 2012-13 operating deficit;
- offset some of the rising costs in programming and in-house productions;
- helping with the rising cost across marketing and technology.

The application of the funding to these areas in SBS is expected to result in an increase of 24 staff.

SBS also received \$12.3m for the transfer of NITV to SBS in 2012-13 and this resulted in an additional 43 staff joining SBS.

3. SBS currently employs 761 full-time staff, 200 part-time staff and 176 casual staff. The number of full-time equivalent staff is 939.91. Full-time equivalent is calculated by converting the paid hours of all employees, including part-time and casual staff, to determine the full-time equivalent figure.
4. SBS has introduced mid-roll breaks in full episode videos available on SBS ON DEMAND.
5. SBS ON DEMAND was launched in August 2011. During the period August 2011 to August 2012 pre-roll advertising was present. Mid-roll advertising was introduced in August 2012. Mid-roll advertising appears in full episode videos only, and is placed in natural program breaks that match the television broadcast.
6. SBS did not make a public statement about the introduction of mid-roll advertising on SBS ON DEMAND. SBS has not previously made public statements about its policy in respect of advertising on its online services.
7. Advertisers pay a flat rate for the space or the 'play' of an advertisement on SBS ON DEMAND. The rate paid does not depend on whether a person clicks on the advertisement.
8. The rate card for SBS ON DEMAND is calculated according to market demand and availability at the time of booking. SBS charges approximately \$45 per thousand plays. The rate ranges from \$40 to \$60 per thousand plays.
9. This functionality was never available on SBS ON DEMAND nor on SBS's previous online video catch-up service.
10. SBS forecasts that 16.5 per cent of its online revenue for 2012/13 will be generated from mid-roll breaks on SBS ON DEMAND.
11.
 - a. Based on a recent sample for three months of the year that would reflect the current market (March, April and September 2012), between 4-6 per cent of advertisements on SBS ONE and SBS TWO were positioned between programs.
 - b. SBS spent \$17.4m on locally commissioned programs in 2011/12 (excluding news, current affairs and sport).

12. SBS lawyers reviewed the program before it aired and provided advice in relation to legal issues, as is common practice for news and current affairs stories. SBS lawyers do not advise on Codes of Practice issues, and are not responsible for ensuring that SBS programs comply with the SBS Codes of Practice. This is an editorial matter. Similarly, SBS lawyers do not “approve” programs for publication. They provide advice in relation to legal risks. The SBS Editorial Guidelines (3.3) provide that: “The final editorial decision on whether to broadcast, or in what manner, rests with editorial staff, not their legal adviser.”
13. The complaint was handled in accordance with the SBS Codes of Practice which provides for the SBS Ombudsman to undertake a proper and fair investigation of the complaint. This includes interaction with management of the relevant division for the provision of necessary background information.
14. It is not uncommon for the SBS Chairman and the Managing Director to receive correspondence on a broad range of matters from any member of the public or organisation. Correspondence in the form of a complaint which alleges that SBS has acted contrary to the SBS Codes of Practice in its programming is treated as a formal complaint and referred to the SBS Ombudsman for a response.
15. The complaint was handled in accordance with Code 8 ‘Comments and Complaints About SBS Programming’ of the SBS Codes of Practice. Code 8.10 provides that the SBS Ombudsman will endeavour to provide a written response to the complainant within 30 days of receipt of the complaint, but in any event must do so within 60 days.
16. No.
17. The complaint was handled in accordance with Code 8 ‘Comments and Complaints About SBS Programming’ of the SBS Codes of Practice. Code 8.11 provides that: “If a formal complaint is upheld, SBS, at its discretion, may take action including: acknowledging that a breach has occurred; apologising for the impact of the breach; placing a correction, retraction or apology on the SBS website; broadcasting the correct information; or broadcasting an apology for the impact of any breach.”
18. No. *Dateline* does not include unedited interview material on its website.