

27 October 2017

Senator, Jonathon Duniam
Committee Chair
Senate Environment and Communications Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Secretary

Clarification – Supplementary Budget Estimates hearing on 24 October 2017

I write further to my appearance at the 24 October 2017 Supplementary Budget Estimates hearings of the Senate Environment and Communications Legislation Committee.

This letter is to provide a point of clarification in relation to my evidence about SBS's acquisition of the program *The Night Manager*, and public submissions made by the Nine Network about this acquisition.

At the hearing I referred to the Nine Network suggesting SBS should have purchased this program in a second window (which refers to the provision of a program to the public after another broadcaster has provided it in the first time 'window'). I would like to clarify the Nine Network made this comment of SBS in relation to *The Handmaid's Tale*, rather than *The Night Manager*.¹

The Nine Network's submissions in relation to *The Night Manager* dealt with SBS's purchase of this program at the script stage (rather than after the program had been produced).² I stand by this decision as sound for SBS and rebut any inference that purchasing a program at the script stage leads to higher acquisition costs. This was an economically efficient decision for SBS because the program rights were bought prior to its success being tested in other markets, and because SBS bought the program for exhibition in the second window (after Foxtel).

As was the case with *The Night Manager* it is common for SBS to purchase programs in later windows—to reduce cost—as we have done when purchasing programming such as *Deutschland 83* and *UNReal* from Stan, which is part-owned by Nine.

The Handmaid's Tale was not bought in this way because it was purchased as part of a strategic bulk output deal (covering multiple programs), where the package included the rights to the first window exhibition of that particular program. Such purchasing assists SBS to realise economically efficient acquisition outcomes given that package discounts can apply.

Sincerely,

Michael Ebeid AM
CEO & Managing Director

¹ Official Committee Hansard, House of Representatives Standing Committee on Communications and the Arts Inquiry into the Australian film and television industry, 20 July 2017 hearing, page 42.

² Nine Network submission to the House of Representatives Standing Committee on Communications and the Arts Inquiry into the Australian film and television industry, page 8.