

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearings November 2014
Communications Portfolio
Special Broadcasting Service

Question No: 466

Program No. Special Broadcasting Service

Hansard Ref: Hansard Page 95, 20 November 14

Topic: Dilution value of advertising

Senator Ludlam asked:

Senator LUDLAM: Mr Khalil, do you guys model the dilution value of advertising? So the more you stack into your prime-time programming, the less it becomes worth. It is not like for like, is it?

Mr Khalil: That is really a question for our director of sales and advertising, who knows this space really well. I am not sure what the figures would be and what the calculations would be when they look at the increased minutes and how that would affect the price.

Senator LUDLAM: But it does affect the price.

Mr Khalil: My basic knowledge of economics and the law of supply and demand would suggest that more supply brings the price down a little bit, but that might not be the case because there is a certain degree of value proposition in certain types of programming, where people want to actually get in there and advertise around food for example. It is hard for me to say. I can take it on notice.

Senator LUDLAM: Yes, I would like to know.

Answer

1. We do model dilution of advertising and elasticity. This is commercial in-confidence. However due to niche Charter programming, it is fair to say our ability to generate additional advertising is not exponential.