

**Senate Standing Committee on Environment and Communications**  
**Answers to Senate Estimates Questions on Notice**  
**Supplementary Budget Estimates Hearings November 2014**  
**Communications Portfolio**  
**Australian Broadcasting Corporation**

**Question No: 564**

**Program No. Australian Broadcasting Corporation**

**Hansard Ref: pps 35-36, 1 December 2014**

**Topic: Sale of shows**

**Senator Wright asked:**

**Senator WRIGHT:** One of the issues that concerns me greatly about the outsourcing of production is the loss of intellectual property in the product—the potential loss of revenue, sales and control over how the product is used. Have reviews of the efficiency of internal production taken into account the revenue that is generated by selling programs into international markets? I am interested in figures relating to the sale of shows such as *The Cook and the Chef* or *Poh's Kitchen*, for instance, into South-East Asia and other markets—and DVD sales.

**Mr Scott:** There can be benefits. I talked about that with the South Australian team the other day. There can be benefits that can come if you hold the rights and you crack international sales with some of these products. That is a question we do need to factor in when we do commissioning. I think that, if you look at it across the board, there are relatively few products that generate that level of financial return.

**Senator WRIGHT:** What is the financial return for those programs?

**Mr Scott:** I would have to take that on notice, but mostly the kinds of international sales you get from programs are simply cost returns—or cost offsets, if you like—and do not take you into areas of profitability. Every now and again you do have some break-out success, but we are still in a position—

**Answer:**

Whilst the majority of ABC programming does not generate revenue beyond its broadcast, the ABC recognises the strong cultural value created by locally produced drama, documentary and entertainments programs. For the two programs mentioned, *Poh's Kitchen* and *The Cook and the Chef*, the gross returns (prior to deducting any costs and overheads) represent less than one per cent of the total cost of production.

The ABC's mixed production model enables the broadcaster to commission Australian independent producers to make programs for which the ABC pays a licence fee for broadcast on television and online rights. This is approximately 30 per cent of the total program production budget.

The independent producer must then find the balance of the budget from industry sources, including local and international distributors (including ABC Commercial), Screen Australia and state film agencies, plus any personal investment made by the producer. In return for that investment, the producer retains the intellectual property in the product.