

# SVOD STREAMING REGULATION

## MYTHS & FACTS



### "EVERYTHING IS GREAT, SO WHY REGULATE?" - WRONG!!

FACT - without any regulation for streaming services, the future is uncertain for Australian audiences and our screen industry.

- Streaming services like Amazon Prime, Disney+, Netflix and Stan have fought against regulation for many years. They are used to getting their own way and do not want to be accountable to Australian audiences.
- In our National Cultural Policy, the Australian Government made a commitment to take action so that Australians can continue to see and hear quality home-grown content, including on digital streaming platforms.
- Streaming services are spending money in Australia most recently reported by the ACMA as \$777.1m in 2022-23. However, we want that money to be spent on Australian content and not be dominated by international (Hollywood) productions.
- According to Government modelling, a 20% obligation would equate to just \$341.5m of that \$672.1m expenditure which we think is a fair commitment.
- Regulation will ensure that a floor is put on investment so that Australian audiences are guaranteed that they will have access to some Australian screen stories on their streaming services.
- This is an important mutual obligation for mostly global streaming services that gives something back to Australian audiences from their paid subscriptions.
- A revenue model for regulation is fair and flexible and will rise and fall with subscriber numbers.
- Both free-to-air and subscription cable services are already subject to rules. This regulation has built our important screen industry and delivered strong cultural and economic benefits.

- Regulation will ensure we have meaningful levels of content in critical genres such as Australian children's stories, scripted drama, and documentary - all of which has declined over the last few years.
- Instead, streaming services are showing higher levels of sport. Acquisitions of sport represent 86% of titles acquired in 2022-23.
- Streamers access generous tax incentives and use the public NBN to deliver their services – there should therefore be some reciprocal mutual obligation of investment in Australian content.

### "REGULATION IS NOT NEEDED AS MARKET FORCES ALREADY DELIVER LOCAL INVESTMENT" - WRONG!!

FACT - Australian content is an important cultural product and shouldn't be merely at the gift or whim of a global business – which can be switched off with little notice.

- Regulation will put a floor in investment in Australian stories and provide audiences with some certainty about access to these.
- Without regulation, our local industry risks being subject to the whims of global business decisions. It is important Australian content is not at risk of disappearing from our screens for whatever 'international' justification.
- Other countries with comparable domestic screen industries like Canada, France and Italy already have, or are moving to, require significant levels of commitment from streamers to invest in their local content. If Australia doesn't do something similar, global investment dollars will move offshore.
- Australian screen stories are a global success story and in many cases are commercially rewarding for streaming businesses. Australia is not asking streamers to abandon all market considerations, just balance them better for the benefit of Australian audiences.

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### **"REGULATION WILL DISTORT THE MARKET AND HAVE UNINTENDED CONSEQUENCES" - NO EVIDENCE!!**

Creating some business certainty in a high-risk industry by setting a floor in ongoing investment levels should not be overly problematic or cause mysterious and un-evidenced "unintended consequences".

### **"THERE IS NO CAPACITY TO DO MORE SCREEN PRODUCTION DUE TO SKILLS AND STUDIO SHORTAGES - WRONG!!**

FACT – this is completely wrong.

- Capacity issues are a largely temporary situation that will stabilise over time and should not be the basis for any permanent policy decisions.
- Streaming platforms are already investing in levels of Australian and Australian-related content well above any 20% investment obligation.
- No screen project in Australia has ever not proceeded due to a lack of available crew or actors.
- Competition for studio space and experienced crew is strong, although there are different impacts across different parts of our sector.
- Most Australian stories are in fact filmed on location, so the issue of studio access is not as pertinent to them.
- A stable Australian screen industry will bring more skilled Australian crew and actors home and ensure our industry is seen as a more attractive career choice, naturally building capacity that addresses employment pressures.
- The issue of access to a skilled workforce is a challenge across the world and in many industry sectors, not just ours. SPA believe the solutions lie in a suite of training and skill-development programs with a key role for industry.
- Screen jobs are good, highly skilled jobs that are adaptable to other industries - we need more of these.

### **"LACK OF REGULATION HASN'T LED TO LESS AUSTRALIAN CONTENT" - WRONG!!**

- Australian audiences expect to have access to quality home-grown content and this is the promise of our National Cultural Policy.
- It is important that streaming services invest in key genres including children's content, scripted drama and documentaries.
- Current spending by streamers includes more than 50% spend on content that isn't truly Australian as well as including sport and acquired programs (mainly older stock).

### **"REGULATION OF INVESTMENT IN AUSTRALIAN CONTENT WILL LEAD TO HOMOGENISED OUTPUT" - WRONG!!**

If regulated, investment is spent on commissions with independent Australian producers as an arms-length process this will ensure a diverse range of Australian content and support local creativity and storytelling, including from our First Nations screen producers.

### **"REGULATION SHOULD INCLUDE ACQUISITIONS, NOT COMMISSIONED CONTENT" - WRONG!!**

FACT – only commissioned Australian content delivers meaningful creative and economic benefits to the production sector.

Acquiring existing content from back catalogues is a cheap way to deliver previously created Australian content but doesn't create new jobs or generate new local stories.

### **"REGULATION WILL TAKE AWAY BUSINESS FLEXIBILITY" - WRONG!!**

FACT - there is simply no evidence for this. Requiring minimum investment in Australian content ensures ongoing relevancy and certainty for the platforms with many options for content. It also protects local businesses from global shifts.