

Dear Sir/Madam

Thank-you for allowing me the opportunity to express my views in regards to the Australian Content Review taking place over the next several months.

My main concern is primarily around SVOD/TVOD services like Netflix, Stan and Apple TV being possibly captured into providing a minimum amount of Australian content or a local quota. The main argument used for implementing a Quota is to protect and export our Australian identity, character, values and our cultural diversity to a market dominated by Global media companies where the Australian voice could be difficult to hear.

Media reports have suggested that Communications and Arts Department have taken notice of the European direction in this area by mandating a 20% quota as the minimum number of European titles required to be in a SVOD/TVOD library if operating in Europe. Europe of course has a vastly bigger and diverse population than Australia where Governments of the EU could quite easily implement a quota system and a SVOD/TVOD service would be able to both financially tolerate and meet their quota obligations without being much of an issue.

My argument is a Quota system may not be in the best interest of SVOD/TVOD industry, Australian consumers or the Australian film industry for the following reasons.

- Australia having a quota system and being a much smaller market may create conditions where existing SVOD/TVOD services and potential new players in the market may find it's not financially viable to remain or set-up business in Australia if extra regulatory burdens are implemented.
- If current and future SVOD/TVOD businesses decide to exit the Australian market due to extra regulatory burdens this would be to the detriment of consumers who would have less choice, less content overall and therefore the potential for piracy to return to the heights of several years ago.
- The Australian film and production industry would suffer with no finances being injected into the industry from exiting SVOD/TVOD businesses.
- There is a potential to create a market that is control by a few large established players.
- It's discriminatory in that it sets aside a portion of a library to one specific culture and to Australian only production studios.
- Could lead to lower quality content as SVOD/TVOD businesses try to fill/maintain their obligated quota.
- Comments on social media and other news outlets tend to suggest people feel the Government is trying to dictate what people can watch and they resent this because it's a service people are paying for and it's their choice.
- Just because there is a quota does not mean people are going to watch that content, people will simply by-pass and go to content of their choosing defeating the purpose of a quota.
- A quota is a form of protectionism for an industry that has failed to adapt to a changing market.

It's my view that a far better proposition to a Quota system is to use both GST and Corporate taxes from both local and international SVOD/TVOD

Services, FTA Commercial television including Satellite/Cable television combined with tax incentives and invest that money into the local film industry.

All local and international SVOD/TVOD services would then be required to have a menu system where all Australian movies and television shows are easily promoted and found. This would not only be a more equitable and sustainable system but Australian content would probably get more views and plays instead of being buried under all the international content as is currently the case.

Regards

David Henselin