



Submission to the Australian Government Supporting Australian stories on our screens—options paper

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Department of Infrastructure, Transport, Regional Development and Communications

Via email: contentoptionspaper@communications.gov.au

Amazon Australia welcomes the opportunity to provide the following comments on the options paper for Supporting Australian stories on our screens (the **Options Paper**).

Amazon Prime Video

Prime Video is Amazon’s subscription streaming service. Prime Video offers thousands of movies and TV shows, including third party licensed content and critically-acclaimed and award-winning Amazon Originals.

In December 2016, Amazon made its Amazon Original series and a small selection of Hollywood films and television content available to customers in over 200 countries and territories (including Australia). Since its launch, Prime Video has added fresh new original programming.

Today, Prime Video is available to customers as a benefit in their Amazon Prime membership, launched in June 2018. Amazon Prime is a subscription membership that provides members with a range of benefits in addition to Prime Video, including free delivery on millions of local and international items, Prime Music, Prime Reading and exclusive early access to select deals. Since the launch of Amazon Prime, Prime Video has demonstrated a strong commitment to supporting and investing in the creation and distribution of local Australian content.

In August 2019, Prime Video announced its first Australian Original, the comedy series *LOL: Last One Laughing (LOL)*, which is hosted by Rebel Wilson and produced by local production company Endemol Shine Australia. So far in 2020, in addition to releasing *LOL*, Prime Video has released:

- A docuseries titled *The Test: A New Era for Australia’s Team*, which follows the Australian Men’s Cricket Team during the 2018 / 19 cricket season; and
- 10 Australian stand-up comedy specials filmed locally in Melbourne and featuring popular Australian comedians Tom Gleeson, Celia Pacquola, Judith Lucy, Anne Edmonds, and Tommy Little. The specials were produced with local production company Guesswork.

Prime Video has also announced the forthcoming release of scripted Australian Amazon Original series, *Back to the Rafters*. *Back to the Rafters* is a revival of the beloved Australian TV family drama/comedy



'Packed to the Rafters'. It will feature original principal cast members including Rebecca Gibney, Erik Thomson, Hugh Sheridan, Angus McLaren, Michael Caton and George Houvardas. Back to the Rafters is being produced by Seven Studios on behalf of Amazon Studios.

Prime Video has also announced that it has commenced production with the Australian Football League (AFL) on a brand new docu-series that follows six key players from six teams during their 2020 season. The untitled docu-series will launch exclusively in over 200 countries and territories in 2021. The series is being produced by the Australian production company Jam TV Australia, in conjunction with Amazon Studios and AFL Media.

In addition, Amazon Studios is funding the development of a slate of Australian TV shows from a group of very talented Australian writers, which will be released on Prime Video. Further announcements will be made later this year.

As well as commissioning original Australian content, Prime Video continues to offer a wide range of Australian films and television shows, not only to Amazon Prime members in Australia, but also to its more than 150MM Amazon Prime members around the world. For example, McLeod's Daughters is a favourite of our global audience. *The Test*, which premiered globally on 12 March 2020 has also been very popular not only in Australia, but also in India, England, South Africa, Canada and New Zealand. In the United States, Prime Video directly licensed popular Australian TV series *The Kettering Incident* and *Picnic at Hanging Rock* which have been popular with our American audience. In Australia, local TV hits *Packed to the Rafters* and *Rosehaven* recently launched on Prime Video, and big local films such as *Palm Beach*, *Storm Boy*, *The Dressmaker*, *Danger Close: The Battle of Long Tan* and *Ride Like a Girl*, all perform very well on Prime Video.

Another avenue through which Prime Video provides Australian studios, distributors, and independent filmmakers with the ability to earn additional revenue, including from international audiences, is through Prime Video Direct. Prime Video Direct allows Australian content creators to self-publish content onto Prime Video globally from which they earn royalties. Great Australian story-tellers no longer need to solely rely on traditional avenues to get their content into a global, premium subscription service, and it is an important vehicle for us to ensure that a diverse slate of content is available to customers locally.

Preliminary views on a model for supporting Australian stories on Australian screens

General comments

It is important to keep top of mind that this consultation is taking place as the subscription video on demand industry is in the midst of rapid change. In a few short years, Australians have seen the launch of multiple such services, including Prime Video, and most recently, Binge from Foxtel. While a number of the services providing this content are well established, others are not and consumer preferences and viewing habits are evolving rapidly. Any regulatory interventions at this early stage should be appropriately limited and cautious so as not to adversely impact Australian consumers or the evolution of diverse business models that are serving their needs.



Prime Video supports the following objectives as set out in the Options Paper: that Australian screen stories are important culturally and economically; Australian stories should be available to Australian customers; and regulation and incentives should be fit for purpose, effective and efficient. Prime Video also believes that any legislative reform in this area should be targeted at promoting the wider health of the content production sector and should not be limited to the making of productions. For example, it should also take into account investments in relevant local training and development of workers within the screen content industry, as well as investments in local production facilities.

However, Prime Video respectfully disagrees with the suggestion in the Options Paper that if current regulatory and funding arrangements remain unchanged, audiences would lack access to quality Australian stories. The current expansion of the Australian subscription on demand services means more Australian content is accessible to more Australians, across more services than ever before. The fact that the total expenditure on Australian drama reached \$1.79 billion in 2018-19, almost double the five year average of \$1 billion, supports the view that Australian content is in high demand.

Elements of a voluntary proposed model

Prime Video supports, in principle, a voluntary approach to investment in Australian screen content, a view that is underscored by the significant contributions already being made across the industry without regulatory obligation.

In particular, Prime Video would welcome an approach whereby subscription streaming services, that are of a sufficiently large scale develop their own customer centric investment plans, which outline voluntary commitments to the furtherance of the Australian content production sector, as commercially appropriate for each individual business. Elements of such plans may include:

- commissioning productions;
- investment in co-productions;
- filming international productions in Australia;
- licencing Australian content;
- investment in skills and talent development; or
- investment in production capacity.

Further, given that providers in the subscription streaming services sector usually have long-term/multi-year investment plans that may not always be linear, it would be reasonable to expect some flexibility in terms of timing of investment (i.e., investments may vary up and down year to year but would average out over a multi-year period). Accordingly, Prime Video proposes that the plans would operate over at least a 3 year period.

To ensure that services are not required to disclose any commercially sensitive information, Prime Video suggests that any data necessary to validate these commitments is shared with government agencies on a confidential basis.

Other matters

Prime Video does not support, or believe it would be effective to impose, an obligation on subscription streaming service providers to commission Australian content to the exclusion of investments in other areas or dictate investment in specific genres of Australian content. Flexibility and discretion to make the right licensing, production and investment content decisions are key components to the successful growth of the industry, together with ensuring delivery of a breadth of locally relevant content. Each service will be best positioned to ensure that it is producing and making available the right content, especially the Australian content, that will be appealing to its subscribers.

Further, while Prime Video supports, in principle, the making of voluntary commitments to invest in the Australian content industry, it does not support a regulatory framework that would require it to have a prescribed number of hours of Australian programming available on its service. Applying a percentage of catalogue requirement could drive unintended consequences which negatively impact the overall quality of content available to customers, including by reducing the non-Australian content selection or leading to the inclusion of low quality or low viewership content.

Definition of Australian content

The definition of Australian productions should be broad and reflect the diversity of stakeholders involved in today's multinational production model. Prime Video values Australian specific stories, but also recognises that investments in any production in Australia, at any point in the production cycle, and regardless of the specific content, are also important contributions to strengthen the overall film industry in Australia. This in turn will grow the pool of talent, expertise, and capital to produce more Australian specific content.

Promotion and discoverability

Prime Video empowers customers to personalise their viewing experience and select the content which is best for their household. As a result, the service is already incentivised to promote and make discoverable Australian content on its service where customers have highlighted the importance of locally relevant stories. With Amazon's continued investment in creating, licensing and distributing Australian content, customers are consistently presented with prominent and readily available access to these stories in feature placements across the Prime Video website and local retail website, as well as, external advertising campaigns to raise awareness, such as television advertisements. Overly prescriptive requirements which mandate preferential treatment of certain content will also likely disproportionately promote and economically benefit local licensors and services. Prime Video believes that the quality and relevance of content, rather than merely its origin or creator, should be the overriding criteria for proactively surfacing content to customers.

Further, if similar proposals were to be adopted in other countries, this would make it difficult for customers to engage in the breadth of selection that makes Australian content popular outside of Australia on Prime Video.



Prime Video welcomes the opportunity to discuss these matters with you further as you progress your consideration of the issues.

Sincerely,

A handwritten signature in black ink that reads "H. Kharas".

Hushidar Kharas
Head of Prime Video Australia