



Competitive Neutrality Inquiry
Department of Communications and the Arts
GPO Box 2154
Canberra ACT 2601

Stan calls for a level playing field between national broadcasters and commercial operators

Stan is the country's leading local SVOD service and is at the forefront of changing how Australians consume video content. We have made it possible for Australians to access the world's best television series and films whenever and wherever they want, through a multitude of connected and portable devices. Launched in 2015, Stan is a joint venture between two of Australia's most trusted and culturally significant media companies, Fairfax Media and Nine Entertainment. In just over three years, Stan has built a base of more than 1 million active subscribers. Our content has been made available for free to all Australians for the first 30 days of a subscription, and from \$10 a month thereafter. The price points we offer have revolutionised the subscription television market and proven to be the most effective weapon¹ in the fight against content piracy, which has declined significantly since the launch of Stan and the SVOD sector more broadly. We have contributed to thousands of jobs directly and indirectly through our investment in local productions, known as Stan Originals, and we offer Australians the chance to work in one of the world's most exciting industries from their own backyard. Stan has commissioned eight Stan Originals to date, with another two announced for production in 2018, and we intend to continue to grow our investment in the Australian production industry. Stan faces competition in the Australian market from global SVOD services, commercial broadcasters and, increasingly, national broadcasters.

Having considered the issues raised by the Inquiry into the competitive neutrality of the national broadcasters, Stan's main concerns are set out below.

1. National broadcasters overlap with commercial operators

As new platforms and mediums have emerged, the national broadcasters have increasingly moved into areas of the market where there is considerable overlap with commercial operators.

2. National broadcasters' terms of trade

The manner in which national broadcasters are funded means they often find themselves in an advantageous position in content acquisition markets compared with growing commercial operators like Stan. For example, national broadcasters are able to offer better payment terms to television distributors to help ensure they are successful in bidding for content.

¹ <https://www.choice.com.au/about-us/media-releases/2015/september/piracy-dropping-with-netflix-and-other-streaming-services>
<https://www.smh.com.au/technology/streaming-services-are-winning-the-war-on-piracy-20160701-gpw3yt.html>



3. Objectives of the national broadcasters streaming services

The on-demand services offered by the national broadcasters are increasingly competing with SVOD players, and in some cases these services are becoming more like 'free' versions of paid subscription services².

4. Commercial partnerships with global streaming service

National broadcasters have also begun to establish commercial partnerships with global streaming services which are largely focused on international distribution and securing second window rights in Australia. These sorts of partnerships often see the global partners benefitting from Australian government funds to reduce their cost of content rights.

² <https://www.sbs.com.au/guide/article/2016/06/21/netflix-has-rival-australia-and-its-free>