



Submission by Netflix, Inc.

Australian Competition and Consumer Commission Digital Platforms Inquiry

19 June, 2018

Thank you for the opportunity to submit these comments to the ACCC's digital platforms inquiry.

Netflix understands the focus of the inquiry to primarily be focused on platform services that host news and journalism rather than entertainment services, which produce and distribute entertainment content for a fee. For this reason, Netflix has not previously made a submission to the ACCC in this inquiry. However, Netflix would like to ensure the ACCC has all relevant facts for its review and take this opportunity to clarify misconceptions made in other submissions.

Netflix is the world's leading internet entertainment service with 125 million memberships in over 190 countries enjoying TV series, documentaries and feature films across a wide variety of genres and languages. Netflix does not produce or distribute news and journalism content.

Netflix competes for a share of members' time and spending for relaxation and stimulation against free-to-air and Pay TV television networks, pay-per-view content, DVD watching, other local and global internet television networks, video gaming, web browsing, magazine reading, video piracy, and much more. When a member wants to relax, enjoy a shared experience with friends and family, or is bored, the member could choose Netflix, or a multitude of other options. In fact, Netflix, Stan, Amazon Prime, Foxtel Now, ABC iView, SBS On Demand, Plus7, 9Now, Tenplay and Youtube Red are just some of the internet entertainment services that offer television series and movies to consumers in Australia.

While Netflix competes for a share of members' time, Netflix does not have advertising on our service, and therefore we do not compete with platforms or advertising-supported television networks for advertising revenue.

The launch of internet entertainment services in Australia has increased competition for high-quality, original content, benefiting both consumer choice and the Australian content creation industry. In 2016/17, the Australian production sector saw a record \$1.3B in drama production, driven by \$667 million of Australian content and the highest ever level of foreign spend of \$610 million.<sup>1</sup>

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<sup>1</sup> Screen Australia Drama Report Production of feature films, TV and online drama in Australia in 2016/17, available at <https://www.screenaustralia.gov.au/getmedia/38aef7ec-ed7d-4423-85e6-c247fb6a2066/DramaReport-2016-2017.pdf?ext=.pdf>

Netflix has contributed to this trend through investments in Australian Netflix original TV series, films, co-productions, and children's programming including Tidelands, the untitled Chris Lilley project, Glitch, Cargo, Pine Gap, The Letdown, Mako Mermaids: An H2O Adventure, New Legend of Monkey, Bottersnikes & Gumbles, Kazoops!, and Beat Bugs, among others.

Netflix also licenses "second-run" Australian TV series and films for distribution on our service around the world. Even when these movies and TV series are not available on Netflix in Australia because they have already been licensed by another service or network, secondary distribution window provides additional revenue and global exposure for Australian producers.

Respectfully submitted,

Joshua Korn

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