

Article

“There Will Still Be Television but I Don’t Know What It Will Be Called!”: Narrating the End of Television in Australia and New Zealand

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Abstract

Australia and New Zealand, like other countries, have unique TV systems and practices that shape the possibilities enabled by emerging technologies, enterprises, behaviors and ideas. This article explores two recent articulations of the concept of television that have motivated ‘end of television’ narratives in the two countries. One is future-oriented – the introduction of online subscription video services from local providers like Fetch TV, Presto, Stan and from March 2015, the international giant Netflix. It draws on a survey of senior people in TV, technology, advertising, production, audience measurement and social media conducted in late 2014 and early 2015. The other is recent history – the switchover from analogue to digital terrestrial television, completed in both countries in December 2013. Digital TV switchover was a global policy implemented in markedly different ways. Television was transformed, though not in the precise ways anticipated. Rather than being in the center of the digital revolution, as the digital TV industry and policy pioneers enthused, broadcast television was, to some extent, overrun by it. The most successful online subscription video service in Australia and New Zealand so far, Netflix, talks up the end of television but serves up a very specific form of it. The article poses a slightly different question to whether or not television is ending: that is, whether, in the post-broadcast, digital era, distinctions between unique TV systems and practices will endure, narrow, dissolve, or morph into new forms of difference.

Keywords

digital switchover; digital television; Netflix; subscription video; SVOD; television; video

Issue

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1. Introduction

Asked in early 2015 whether, by 2025, there would still be something called television, Fetch TV CEO Scott Lorson replied: “Yes—but I don’t know what it will be called!” Fetch TV is a subscription service available in Australia since 2010 that plans to expand to New Zealand. Customers sign up through their internet service providers or a retailer and get a set-top-box/personal-video-recorder that provides access to broadcast, subscription, transactional and online content. They can watch and record broadcast channels and access the networks’ catch-up TV services. They can watch around 40 premium English-language channels as part of the

basic package and pay extra for Netflix and Asian language channel packages. They can rent or buy from a library of over 4,000 movies and buy episodes or seasons of TV shows. They can use web-based apps like YouTube for TV. All of this can be done on TV sets or on iOS and Android mobile devices using free apps.

Fetch TV’s stated goal is to ‘Make TV Better’. Like the service, the organisation is a hybrid, founded and based in Australia and majority-owned by Australians but with a large equity stake held by Malaysian-based Astro All Asia Networks. Scott Lorson, appointed CEO of the start-up business in 2009, is a dual Australian/US citizen with degrees in science and business management from the University of California at Berkeley, and

a diverse business background in consumer finance, telecommunications and media (Fell, 2011). He is placing many wagers on the future of television. “We are effectively spreading our chips on the table by betting that a complete solution offering FTA [free-to-air, or broadcast], SVOD, TVOD and traditional linear subscription will be required to win the living room and that all important HDMI1 position” (Groves, 2015). It is a hybrid strategy, acknowledging that television is now many things that are used by consumers in many ways, but it also asserts the continuing importance of scarcities or bottlenecks: the HDMI connections at household TV receivers and the individual consumers that Fetch TV’s advertising encourages to ‘Show TV who’s boss’. Fetch TV does not imagine the end of television, or even the end of a particular kind of television. Instead, it proposes to integrate many different kinds of television within a single subscription service, embracing and profiting from the diversification of TV’s forms.

This article explores two recent articulations of the concept of television that have motivated ‘end of television’ narratives in Australia and New Zealand. One is future-oriented—the introduction of online subscription video services from local providers like Fetch TV, and from March 2015, the international giant Netflix. The other is recent history—the switchover from analogue to digital terrestrial television, completed in both countries in December 2013. The analysis of online subscription video services draws on a survey of 25 senior people in TV, technology, advertising, production, audience measurement and social media, conducted in late 2014 and early 2015. The discussion of the transition from analogue to digital broadcast television builds on research conducted throughout that long process (see Given, 1998, 2003, 2007, 2015).

Television scholars have suggested many ways to summarise and explain the medium’s history. Writing about TV in the United States, Amanda Lotz proposes three phases: the Network Era (1950s–1970s), the Multichannel Transition (1980s and 1990s), and the Post-Network Era. She describes a gradual transition from the first era, when viewers watched single TV sets in homes, chose from among a small set of options scheduled by network programmers and shared a fairly uniform viewing experience, to the current era, with its multiplicity of devices, service providers, forms of content and modes of viewing. The Network Era drew its enterprises and its dominant organizational form from radio broadcasting and scheduled types of programs through the days and seasons in ways that came to seem natural, as if they were intrinsic to the medium. During the Multichannel Transition, novel technologies including remote controls, VCRs, cable transmission and people meters provided new ways to deliver, choose, watch and measure US television; direct subscription provided a new way to pay for it. Specialized channels became popular and profitable enough to commission

their own programs, encouraging the fragmentation of individual viewing that multiple sets in households enabled. Lotz initially envisaged the Post Network Era as “an erosion of network and channel control”, but came to imagine a primarily non-linear future “devoid of networks or channels” (Lotz, 2014, pp. 21-34).

William Uricchio proposes similar phases but re-names them to emphasise the role of viewer interfaces in each—Dial Television (1950–1975), Remote Control (1975–1999) and From TiVo to YouTube (1999+)—and challenges the lingering perception of stability in the first era. He sets out eight further conditions that define the medium in each of these eras, including scheduling (‘real time’, time shifting, on-demand), amount of content (scarcity, plenty, unlimited), audiences (mass, segmented, niche) and metrics (stable, under siege, complete datasets). The first period, roughly equating to Lotz’ Network Era, has come to represent the “conceptual default definition” for television, says Uricchio, although he contends it is “but a blip in the larger developmental history of the medium”. Unlike film, radio and print, television “has from the start demonstrated an unusually opportunistic potential with regard to technological platforms”. The present changes, he argues, are not so much “the end of television as a return to the pluriformity that has long characterized the medium” (Uricchio, 2009, pp. 60-72).

Television’s pluriformity is especially striking when the focus shifts from the United States to the rest of the world. A common observation is that television has been different at different times and in different places (see for example Given, 2003, p. 20). “The fact is”, writes Graeme Turner, “especially since the digital revolution and notwithstanding the processes of globalization, ‘television’ involves such varying forms, platforms, and content in its different national and regional locations that it is increasingly implausible for one set of experiences to be regarded as representative” (Turner, 2011, p. 32). Features that seem central to the distinctive shape of the medium at one time and place often emerged earlier or later or not at all in other places. For this article, focused on television in Australia and New Zealand (which I will call A/NZ, when referring to them as a region rather than as separate nation states or markets), there are a number of important differences from the US television of Lotz’ and Uricchio’s phases, including significant variations between the two Antipodean markets themselves. The most important differences lie in local and national program production, the level of commercialization, the scale of national networks, the existence of public broadcasters serving cultural diversity objectives and the degree of multichannel cable and satellite TV take-up.

First, arguably the most important single policy issue raised by television in both countries has been its contribution to distinctive local and national cultural and industrial development. Early television was domi-

nated by British and American programs; the development of the medium was marked by the increasing production and popularity of local programs, and hence the *differences* between the actual programs seen by A/NZ and overseas audiences. This is what made TV unlike the audio-visual medium that preceded it, film, where the local box office was and is dominated by Hollywood movies. Australian TV drama had its first big success in the 1960s and increasingly effective program quotas plus government tax concessions and subsidies in the 1980s helped generate a boom, especially in Australian historical mini-series. In New Zealand, the big local drama breakthrough did not come until the early 1990s after the newly-established funding agency New Zealand on Air supported a daily serial, *Shortland Street*. Some regulation had encouraged a common A/NZ audio-visual space from the outset: Australia required all advertising to be produced locally and allowed New Zealand commercials to qualify. From the mid-1990s, New Zealand programs have qualified for Australian program quotas.

Second, US-based phases take for granted a level of commercialization of television that was internationally uncommon at the time of its 'Network Era'. This was highlighted by many European analyses of change in the industry from the late 1980s, when liberalization and privatization removed some of the sharp distinctions between television markets on each side of the Atlantic. New Zealand's early television system was a state monopoly until the late 1980s, like so many in Europe; Australia's was a 'dual system', combining three-commercial-station competition in the largest four cities with a publicly-funded national broadcaster.

Third, Australia's three commercial stations took a long time to generate the truly national commercial networks that quickly characterized US TV. Restrictions in place until the late 1980s on the numbers of stations in non-metropolitan markets and on common ownership meant that even the national capital, Canberra, just 300km from Sydney, had only one commercial station for around 30 years. Television's reach was limited by a combination of politics, economics and geography—topography in New Zealand's case, distance in Australia's—and 'equalising' access to the same services as city-dwellers became a durable policy issue. Satellite technology was transformational, and not just in delivering TV to remote households for the first time. In Australia, the debate about how to use it to expand TV services drove a fundamental overhaul of regulation that precipitated significant structural change in the industry and finally allowed the creation of fully national commercial networks.

Fourth, both countries created publicly-funded broadcasters, separate from their well-established national broadcasters, to reflect and shape their nations' distinctive cultural origins and diversity. Australia's, the SBS, came first, beginning regular TV broadcasts in 1980,

and was followed by a National Indigenous Television service in 2007 that became part of SBS in 2012. New Zealand's Maori Television began broadcasting in 2004.

Fifth, Australia and New Zealand came later to multichannel subscription television than the US, Australia much later. Having arrived early at US-style three-commercial station competition in the largest cities in the mid-1960s, Australia's incumbent broadcasters successfully resisted the introduction of multichannel competition until 1995. This did not simply defer a 'Multichannel Transition', because other changes, such as the arrival of commercial internet services and the DVD format, still occurred in the mid/late 1990s as in the US. Cable and satellite television faced much more competition and only ever reached around 50% of households in New Zealand and just 30% in Australia, where tough 'anti-siphoning' rules also prevented pay TV channels acquiring exclusive rights to a long list of the most popular sporting events. This was nothing like the almost universal take-up it achieved in the US—it remained a premium service rather than becoming a utility—and changed the opportunities and challenges posed by subsequent developments. Digital TV services offered most Australian viewers their first multichannel TV experience; digital TV switchover was especially sensitive because so many TV viewers still relied on over-the-air transmission; online subscription video services did not require consumers to cut or shave cords—most did not have one—but to pay for 'television' for the first time.

In summary, while there is plenty in the US phases that is recognizable in Australia's and New Zealand's television history, especially the long, gradual shift from network or station control towards increasing viewer choice and a wider range of viewing and using practices, there is also plenty that is distinctive, especially about the timing of events that involved government action (the expansion of services and technical changes like colour and digital TV), and therefore the precise combination of factors in play at any time. These have given rise to unique TV systems and practices that shape the possibilities enabled by emerging technologies, enterprises, behaviours and ideas. They prompt a slightly different question to whether or not television is ending: that is whether, in the Post Network, TiVo-to-YouTube, Post TV, Post Broadcast, digital era, these distinctions will endure, narrow, dissolve, or morph into new forms of difference. This article tries to answer this question by analysing the pre-history, launch and response to Netflix's arrival in A/NZ and contrasting it with the introduction of digital TV in the early 2000s. The emphasis on Netflix highlights the role of drama programming in television's future; the discussion of digital TV reminds us that drama is just one part of what television has been and might be in the future.

2. The Netflix Moment

2.1. Noticing Netflix

Netflix was noticed in Australia and New Zealand as soon as a significant number of customers started signing up to the mail order subscription DVD rental business launched in the United States in September 1999 (Netflix, 2003). Helpfully, one was the brother-in-law of a *Sydney Morning Herald* journalist, giving the California start-up a distant Australian influencer: “Netflix is a delicious service that could work here given Australia Post’s express mail service, and my hope is that if I keep talking about it someone will pick up on the idea” (Easdown, 2002). Across the Tasman Sea in New Zealand, a 35-year-old IT consultant tried to do just that. Netflix declined his request to establish a local franchise, so he launched his own DVD rental business, *fatso.co.nz*, in July 2004.

Rejecting such overtures, the young Netflix determined and revealed its strategy for any future overseas expansion. The company was not ‘born global’; it was local but with global aspirations. ‘Born Globals’, according to one contemporary definition, “seek out international business through the application of resources to the sale of output in multiple countries within three years’ of...establishment” (Li, G. Qian, & Z. Qian, 2012). Netflix did not do this, but once it did pursue international markets, it aimed to be a truly global operator rather than a US-based business with international franchises or affiliates. This meant its strategies for acquiring and eventually commissioning programming would have disruptive implications for a business that was overwhelmingly territorial. “[W]e are kind of alone in the space of buying [global] rights”, said chief content officer Ted Sarandos in December 2015. “It’s a pretty big change and at the end of the day it’s a real structural change” (Sarandos, 2015).

Many similar online DVD services were established in Australia and New Zealand in the early 2000s. Like Netflix, they were initially seen mainly as challengers to bricks-and-mortar DVD stores. Their names self-identified most as *film* services at a time before the boom in TV programming on DVD. (In 2003, 70% of DVD sales revenues in Australia were for movies and just 13% for TV series—the rest was mainly music, children’s and documentaries. See GfK/Screen Australia, 2015). An internet entrepreneur founded Webflicks in Australia in 2002; Movieshack started in Auckland and Quickflix in Perth in 2004. Some TV operators took stakes in the emerging sector. New Zealand’s satellite subscription TV incumbent, Sky TV, acquired an online DVD start-up, DVD Unlimited, around the time *Fatso* was founded. Major A/NZ cinema exhibitor Hoyts, then controlled by Australia’s most powerful TV broadcaster Kerry Packer, launched Homescreen in 2003, arguing it was “a natural extension of the company’s film and

cinema business” (Groves, 2003). Telcos got involved as well: Australia’s Telstra established *fetchmemovies* in 2004, then rebadged it with their ISP brand, as *BigPond Movies*; Optus entered into a marketing arrangement with Quickflix (Best, 2004).

Also like Netflix, A/NZ DVD mail order services generally saw their technology and distribution process as transitional, a first move into a business that would eventually shift to online digital delivery (see Keating, 2013, p. 48). Netflix started a streaming service in the US in 2007 which it extended to Canada in 2010 and Latin America and the Caribbean the following year. The telcos, especially, saw online video as a big opportunity. Telstra’s *BigPond* sold its DVD mail order business to Quickflix in 2011 after launching online streaming and downloads. Quickflix started its own digital service in Australia in 2011 (Curtis, Given, & McCutcheon, 2012, p. 31) then launched as a digital-only service in New Zealand the following year (Pullar-Strecker, 2012). Online video was where so many media, communications and IT businesses seemed to be converging—as well as the telcos and TV operators, online video services were launched or announced by local DVD retailers and cinema exhibitors, as well as international search and consumer device giants. Google acquired YouTube in 2006 and launched separate Australian and New Zealand versions of the site in 2007 (infonewsNZ, 2007). Apple launched the iTunes Australian music store in October 2005, added television programs to it in June 2008 and a film catalogue in August 2008.

Unlike the US, where the first mover Netflix established itself as the market leader first in online DVD rentals and then in subscription streaming, the early online DVD enterprises in A/NZ consolidated and many investors sold out. New Zealand’s three merged in 2008 into a company controlled by Sky TV but trading under the *Fatso* brand (Scott, 2008). *Homescreen* was sold to Quickflix in 2005 and the latter’s ownership went through many changes. Lachlan Murdoch’s *Illyria* and the regional TV network *WIN* bought in then sold out; HBO did the same in 2012, selling to Nine Entertainment Corporation, owner of the Nine TV network. Each of these seemed to be preparing to use Quickflix’s business as their vehicle for entering the A/NZ video streaming market, before settling on another route. Some speculated that Netflix itself would do that; like the others, it seems to have decided it could win the customers without having to pay for them (Kohler, 2015).

2.2. Watching Netflix

Once Netflix launched its streaming service in the United States in 2007, technically literate overseas customers started subscribing to it using virtual private networks (VPNs) that masked their location. Without launching a global service, Netflix became a global enterprise. This cross-border ‘pre-history’, lasting until

the formal launch of Netflix in Australia and New Zealand in March 2015, had precedents. New Zealanders listened fortuitously to Australian long wave radio stations in the 1920s until the wavelengths used in Australia were changed to enable more local stations to be licensed and to improve listening quality. Canadians living along the US border watched American television well before the CBC commenced TV services in Quebec and Toronto in 1952; some in Ireland received BBC TV signals for fifteen years after its post-war relaunch, before RTE officially started TV in the Republic. In each case, broadcasting acquired a national identity that was not intrinsic to the technology. The official beginnings of TV are generally remembered as the moments when a national operator commenced transmission inside the territory. More accurately, these pre-histories demonstrate the technical, political, economic, geographic and cultural contingencies of the official institutional forms.

Such transnational contingencies also had counterparts within nations. To Sydney's north and south, many homes in Newcastle and Wollongong retain the tall external antennae erected to receive TV from Sydney stations before local ones launched in the early 1960s. They continued to be used for the nearly three decades that non-metropolitan centres had only one commercial station while Sydney had three. A young Rupert Murdoch bought into the commercial TV station in Wollongong, about 90km south of Sydney, in 1963, intending to use its signal overlap to broadcast to a large proportion of Sydney viewers. Already a deal-making opportunist, he settled for a 25% stake in one of the Sydney licensees instead! Tensions like these had popular, commercial and policy consequences. Local stations got big audiences for local news programs but not for the foreign programs their audiences had already seen on the Sydney channels, leading to tussles with overseas program suppliers (Herd, 2012, pp. 102-104).

The unofficial availability and official unavailability of Netflix in A/NZ from 2007 became a significant part of a wider struggle about pricing and access to media content and the quality of broadband infrastructure. Consumer group CHOICE commissioned research that found 340,000 Australian households were accessing Netflix in November 2014, four months before its official launch, and nearly 700,000 were subscribing to at least one overseas content provider or buying direct through an overseas store like iTunes USA. (CHOICE, 2014) Even months after the service launched officially in A/NZ, "tens of thousands" of New Zealanders were believed to be accessing the US version of the service, according to an unattributed estimate (Pullar-Strecker, 2015a).

Netflix' low cost highlighted the premium pricing strategies of the near-monopoly cable and satellite TV operators in the two territories, Foxtel and Sky, and the lack of flexibility in their channel bundles. The prices of IT hardware and software products from international

vendors like Apple, Microsoft and Adobe were the target of a 2013 parliamentary committee inquiry which found that Australians often paid 50%–100% more for the same products than their counterparts in comparable economies. "Particularly when it comes to digitally delivered content...many IT products are more expensive in Australia because of regional pricing strategies implemented by major vendors and copyright holders. Consumers often refer to these pricing strategies as the 'Australia tax'." (House of Representatives Standing Committee on Infrastructure and Communications, 2013, p. viii) Already aware of delays between US and A/NZ TV transmission dates, especially for big US drama series, unofficial access to the US Netflix service gave viewers a more legitimate way besides unauthorised P2P file-sharing for getting timely access to at least some titles. Broadcasters and the cable and satellite operators responded with 'Express from the US' scheduling, and made episodes of marquee series available online at strange hours, as soon as they had screened overseas, such as the ABC did with Series 7 of *Doctor Who* in 2012 (Kidman, 2012). Large public investments in fixed line broadband were announced by both the Australian and New Zealand governments in 2009 (Given, 2010) but a Netflix executive told a 2011 conference in Auckland that poor household take-up of fast broadband was one of the reasons his company had not launched a service there (Gruenwedel, 2011).

In all these debates, Netflix was often represented as a liberator for far-away consumers. "It is remarkable that a service which is officially blocked to Australians...and doesn't spend a cent on local marketing...is the biggest single driver of competition in our entertainment market", said a spokesperson for CHOICE. "It's a perfect case study of how competition from international markets can shake up protected industries and deliver benefits for Australian consumers" (CHOICE, 2014). Yet, from many perspectives, the California-based company was a surprising saviour. Digital consumers had criticised record companies and subscription TV operators for bundling content into albums and channel packages that forced consumers to buy things they didn't want along with those they did. The unbundling of songs, movies and TV shows by iTunes had been welcomed, but the celebration was brief: now Netflix, like Spotify in music, was attracting customers with all-you-can-eat monthly subscriptions, though at much lower price-points than multichannel subscription TV operators. Netflix was not the long-promised digital fantasy, Paul Goldstein's 'celestial jukebox' (2003), offering all the video content ever made, but a carefully chosen collection. The collection was large, certainly, but just as important were the company's skills at directing subscribers around it and learning from their choices. Like other members of a large chorus of over-the-top (OTT) service providers, Netflix lamented the state of fixed line broadband in

Australia and New Zealand that disappointed video consumers, but its solution was not to invest in that crucial element of its delivery infrastructure, but to support the heavy public investments proposed by governments and their taxpayers.

One of the factors that seems to have appealed most about Netflix to many consumers was that it was a new entrant into these distant markets (see Pash, 2014). It was not one of the local mainstream media incumbents, those products of decades of policy that had been designed to make national media systems distinctive, but who were now increasingly blamed for the fact that those national media systems were not delivering an identikit of services available elsewhere. Of those incumbent ‘dinosaurs’, probably the most criticised—the titanosaurs—were the broadcast television networks.

2.3. Anticipating Netflix

Netflix’ structure and business model for delivering video online was quite different to the TV networks and most other incumbent A/NZ video providers. It was a standalone business and it charged for its content. A 2012 analysis of 25 video-heavy websites popular with Australian internet users (Curtis et al., 2012) noted the overwhelming majority offered content without direct charge to consumers. These ‘free’ services were funded by advertising, public funding (national broadcaster sites), cross-subsidy from other activities or a combination.

Most were controlled by entities with other interests, so the online video services were part of wider business strategies. Eight were catch-up sites controlled by Australian-based broadcasters, eleven were controlled by other kinds of media and communications enterprises and just six were standalone online video operations. Two of the broadcasters operated their online presence in partnership with US-based companies, Yahoo! (Seven) and Microsoft (Nine). Of the other kinds of media and communications enterprises, major US technology companies were prominent—Google (YouTube and Google Video, which was subsequently effectively integrated into YouTube), Apple (iTunes), Amazon (IMDb), Microsoft (Bing Video and the stake in ninemsn, subsequently restructured as Mi9, wholly owned by Nine Entertainment Corporation, but retaining a relationship with Microsoft technology and advertising products) and InterActiveCorp (Vimeo). Two were international production and distribution companies, Disney and FremantleMedia (controlling the *Neighbours* program site); two were telecommunications companies, Australia’s Telstra (BigPond Movies) and France Telecom-Orange (which sold a controlling stake in Daily Motion to Vivendi in 2015); and one was the A/NZ newspaper company Fairfax Media (SMH TV). Of the six standalone operations, three were P2P BitTorrent sites (each undergoing significant change

since), two were the video sharing and search sites MetaCafe and Blinkx, and the other was Quickflix.

The study did not include Netflix, which was still three years from launching an official Australian service. For a time, some suggested it was doing well enough from VPN customers without the expense of launching an official service, certainly well enough for the incumbents to feel they needed to respond. In New Zealand, Sky and the dominant broadcast network, the still state-owned TVNZ, launched a joint pay-TV-lite service, Igloo TV, in late 2012 (Keall, 2012), and online subscription video services were launched in 2014 by Sky (Neon) and the telco Spark (Lightbox) (Slabbert, 2014). In Australia, subscription TV operator Foxtel launched the Presto online movie service in March 2014, halved its price in August, brought in Seven West Media (which owns the top-rating Seven Network) as a partner in December, and added TV programs to it in January 2015. Free-to-air TV rival Nine Entertainment joined with Fairfax Media in August 2014 to announce the online video service Stan, and launched it on Australia Day, 26 January 2015.

Netflix finally ended the rumours in November 2014, confirming it would start the service in Australia and New Zealand that began on 24 March 2015. Several industry representatives interviewed around this time for a study of the future of TV predicted consolidation in the sector. Said Overture Management’s Ben Liebmann (ex-Shine360):

“No matter what the local providers can throw at it, Netflix has deeper pockets. It has global scale, and it has time. While it may not have the most extraordinary content offering on day one, it can wait, and sit it out till broadcast and pay TV rights come up and then it can swoop. At some point I suspect there will be Netflix and probably one other. And the one other will be a great competitor because it will eventually have Seven, Nine, Ten, ABC, SBS, Foxtel, all in one.” (Given, Brealey, & Gray, 2015, p. 24)

2.4. Launching Netflix

Two features of Netflix’s launch in Australia and New Zealand in March 2015 provide striking contrasts with earlier phases in television history. First, official TV services started in New Zealand several years after Australia’s in 1956; Netflix launched simultaneously in the two territories, an implicit recognition of an increasingly shared cross-Tasman audio-visual marketplace. Theatrical distributors have licensed A/NZ rights together for decades, the major cinema chains operate in both markets, Sky News delivers a 24-hour news channel to both markets, and the biggest New Zealand and Australian newspapers are all owned by Fairfax, News Limited and APN, which also controls commercial radio networks in the two countries.

Second, Netflix was an outsider. The technology of broadcast television was first deployed by local and national media incumbents—in NZ, the BCNZ; in Australia, the ABC and commercial companies in Sydney and Melbourne formed by the major newspapers. New Zealand had welcomed TV outsiders soon after private TV services were first authorized in the late 1980s. The Canadian CanWestGlobal bought into TV3 and eventually acquired 100% of it in 1997, the same year a company controlled by Rupert Murdoch’s News Corporation acquired a controlling stake in the satellite subscription TV operator, Sky, from the American media (Time Warner, TCI) and telecoms (Bell Atlantic, Ameritech) companies that founded it (Withers, 1997). In Australia, almost all the later expansions of television services had also been delivered by incumbents. These included colour TV in the 1970s, extra services in country areas in the late 1980s and early 1990s, and digital TV in the 2000s, as discussed below. Even multi-channel subscription TV services, initially offered by the entrant Australis in 1995, had consolidated into Foxtel, controlled by the biggest local telco Telstra and biggest newspaper publisher, Murdoch’s News Limited.

Yet, like television itself in the late 1950s and 1960s, already an international phenomenon when it launched officially in A/NZ, Netflix was a *known* outsider. By November 2014, it had more than 50 million streaming customers in the US and overseas, including the VPN subscribers in A/NZ discussed above. The company’s first program commissions, *House of Cards* and *Orange Is the New Black*, had screened on other television and video services in Australia and New Zealand and were well known as Netflix shows. This time, offering the next generation of TV services, A/NZ incumbents were the start-ups trying to create awareness for new brands in their own backyards: “The outsider, Netflix, was already at home” (Given, Brealey, & Gray, 2015, pp. 6-7).

Also like the introduction of television, although Netflix seemed to be known, the versions that Australians and New Zealanders got to see were not the same as the one they thought they knew. Licensing deals already in place meant some of the marquee content available to Netflix subscribers in other countries was not available to early A/NZ customers. This even included some Netflix-commissioned shows, where existing series had been licensed exclusively to local subscription TV operators, leading to considerable confusion about where viewers would find forthcoming series. Some recent Disney and Marvel programs that were part of Netflix’ Australian service could not be screened in New Zealand because Sky TV held the relevant rights (Pullar-Strecker, 2015b). It would take time for the official, local Netflix’s to look like the US or UK Netflix that many had been subscribing to via VPNs, but also for the reality of Netflix’s wide and deep but not infinite content offerings to be understood.

Historically, television services around the world

had diverged as revenues grew, local production skills developed, policy measures were implemented and took effect, and audiences revealed and learned distinctive tastes. Netflix’s premise was that, as territorial licensing deals expired, its services around the world would converge towards a global service, satisfying the increasingly global tastes of local viewers.

2.5. Dealing with Netflix

Soon after Netflix launched, market researchers, financial analysts and journalists began reporting “explosive adoption of the platform” and “stunning growth” (White, 2015). Here again was an urgent narrative about the end of television, founded in the arrival of a different kind of television. “Netflix is the new black”, declared Roy Morgan Research, estimating the company signed nearly 300,000 Australian customers in its first month, April 2015. In New Zealand, 164,000 households were estimated to be subscribing in the first three months, 9.4% of the roughly 1.75 million total (Roy Morgan Research, 2015c). After seven months, Morgan estimated more than a million Australian households were subscribing, 11.4% of the 9 million total (Roy Morgan Research, 2015b, 2015d). Broadband customers complained that their access speeds had slowed; telcos confirmed the surge in online video consumption (Bingemann, 2015).

It appeared clear enough that Netflix was signing up many more subscribers than its local SVOD rivals, Presto and Stan in Australia and Lightbox and Neon in New Zealand, although the battle for customers spawned a war over metrics. Mumbrella deputy editor Nic Christensen thought the figures published by operators were “at best confusing and at worse close to misleading”. Different SVOD providers cited ‘gross sign-ups’ (which included people who had churned or were on free trials), ‘total customers’ (which included TVOD customers who had bought a single movie as well as ongoing SVOD subscribers), ‘paying subscribers’ and ‘people using the service’ (paying subscribers multiplied by the average number of people in households). Netflix, “the godfather of secrecy in this space”, published no breakdowns of its Australian and New Zealand subscribers at all. “SVOD offers a level of targeted ad delivery that is unrivalled in traditional television” plus a lucrative side business trading the data, wrote Christensen. But for that to work, “unanimity about the metric” for subscription streaming and “basic level transparency” were essential. Christensen wanted ‘paying subscribers’ to acquire the same kind of universal currency for SVOD services that ‘unique audience’ and ‘time spent’ metrics had acquired for AVOD (ad-supported VOD) services like YouTube and catch-up TV. The fact that most SVOD services did not carry advertising was not a reason for accepting spurious audience data: “While it may not be part of their immediate

business plans...at some point the sheer weight of money being offered by advertisers will be too great” (Christensen, 2015).

The good news for video service providers was that some of the SVOD customers were paying for television for the first time. In Australia, where household penetration of cable and satellite subscription TV had been stuck at around 30% of households for years, over 40% had signed up to some kind of subscription video service, including cable or satellite TV or SVOD, a few months after Netflix launched (Roy Morgan Research, 2015b). The bad news for incumbent subscription and broadcast TV operators was a significant decline in television viewing, especially linear viewing. Australia’s TV ratings provider reported that ‘total TV screen use’ for all Australians fell nearly three-and-a-half hours (from an average of 123 hours 43 minutes to 120 hours 19 minutes per month) between the third quarter of 2014 and the same period in 2015—live TV viewing fell around 6 hours, playback rose 11 minutes and ‘other screen use’ rose 2 hours 18 minutes (OzTAM, RegionalTAM, Nielsen, 2015).

Roy Morgan Research CEO Michele Levine speculated that the media behaviour of 14–24 year-olds “may foreshadow the wider norms ten years from now”, noting the average time this age group spent with TV, radio and print media a decade ago resembled the wider national norm in 2015. According to her data, Australians aged 14–24 now spend more time online than with all other traditional media combined: 27.6 hours on average each week using the internet (much more than the 17.9 hours spent by all Australians aged 14+), 12.5 hours a week with TV (much less than the 18.8 hours spent by all Australians 14+), 6.7 hours with radio (12.8 hours for all 14+) and less than an hour and half with newspapers or magazines (3.4 hours) (Roy Morgan Research, 2015a).

Citi Research analyst Justin Diddams predicted that more Australian households would be subscribing to an SVOD service within three years than to the 20-year old dominant subscription TV company Foxtel. This didn’t mean “the death of Foxtel but it means an explosion in content consumption...in the 70 per cent of households that don’t pay anything today”. Nor did it mean free-to-air television was dying, but growth in broadcasters’ earnings was likely to be limited, because “expensive, risky, cutting-edge content” would be needed to keep their linear channels relevant (White, 2015; White & McIntyre, 2015a, 2015b). The local SVOD services announced they would commission more local programs (Bodey, 2015); departing ABC managing director Mark Scott called for debate about the idea of “a digital content fund, requiring new digital content companies, many of which dwarf their Australian competitors, to contribute a percentage of revenue to support local content requirements” (Scott, 2015); Netflix announced it was backing a TV series to be directed by Australian Baz

Luhrmann (*The Great Gatsby, Australia, Moulin Rouge!, Romeo+Juliet*), about 1970s New York. It would be “a mythic saga of how New York at the brink of bankruptcy gave birth to hip-hop, punk and disco—told through the lives and music of the South Bronx kids who changed the city, and the world...forever” (Stanhope, 2015).

3. The Digital Moment

Digital television technology was expected to change television forever and did, though not in precisely the ways many anticipated. It originated in efforts to improve TV’s image quality. The only way to achieve the improvements sought within the constraints of existing channel allocations was to use digital techniques. By using them, many other possibilities were created, with both revolutionary and evolutionary capabilities and consequences. For TV broadcasters, there were threats as well as opportunities. If digital TV was a revolution and TV-as-we-knew-it was going to end, it was hard for broadcasters to argue that they should be the only enterprises able to use the technology. If it was an evolution, a technical upgrade to a well-established medium that would not fundamentally transform it, it might be difficult to expect governments to offer regulatory favours and subsidies to help make it happen.

In the late 1990s, digital TV pioneers emphasized the capacity for it to put television in the centre of the digital revolution that garnered so much attention after Netscape’s 1995 initial public offering. Digital transmission was widely described as the most important development in television since the medium was introduced. In the UK, one of the first countries to launch the technology in 1998, an early policy paper said it would provide many people with “their first experience of the full potential of the information super-highways” (Department of National Heritage, 1995, p. 1). Australia’s communications minister promised this “quantum leap in television technology” would provide the capacity “for the humble television set to become a central information point in every home” (Alston, 1998). (End-of-television narratives often recall eras when TV sets were ‘humble’!)

After the telecoms and internet crash in 2000, the collapse of ITV Digital in the UK in 2002, and the disappointing early take-up of digital TV in some territories including the US, Sweden, Finland and Australia (see Starks, 2013, pp. 42-51), the evolutionary nature of digital TV transmission was emphasized more strongly. Announcing New Zealand’s plans for digital TV in 2006, a decade after Britain’s, the broadcasting minister said the move to digital television was “essential to securing the future viability of free-to-air broadcasting in New Zealand”, and the continuing strength of public broadcasting’s place in it (Maharey, 2006). TV would change, but modestly. Any larger transformations would come from what was done with spectrum vacated by broad-

casters. By the time switchover was completed in Australia and New Zealand at the end of 2013, it was difficult to get anyone to notice. Digital TV was just TV.

Yet TV, plainly, was not what it had been. Australians and New Zealanders had replaced their TV sets and chosen to watch the increased range of free-to-air channels on wide-screen receivers with much better image and sound quality. Given the relative sizes of the advertising markets and government budgets, Australians got many more new ad-supported and public-funded channels than New Zealand (Given & Norris, 2010): by November 2014, free-to-air digital multichannels achieved a share of more than a quarter of the Australian viewing audience from 6p.m. to midnight, compared with about 56% for the main channels and 17% for subscription TV channels (OzTAM, 2014). Many more households in both countries came to rely on satellite signals for their TV reception, because both governments decided to subsidise multichannel satellite packages. This enabled them to reduce the number of terrestrial TV transmission sites and hence frequencies used and so increase the amount of spectrum vacated, the 'digital dividend'. Australia's early emphasis on HDTV and the rapid fall in prices of HD sets meant that a very high proportion of the receivers sold were capable of receiving HD signals, although the wholesale transition to HD programming, even in genres like sport, has not occurred. New Zealand's later start meant it could use the DVB-T2 transmission standard from the outset; Australia anticipates a further migration to that standard.

Despite the significance of these changes, as in other territories, digital broadcasting and the first generation of digital TV receivers in A/NZ did not themselves generate the kinds of changes to television through interactivity, convergence with other media forms, and mobile reception that were part of the early rationales for digital TV. These things all occurred, but not so much within the incumbent TV business as outside it or around its edges. TV viewers interacted with TV content and each other, but they generally used SMS and then social media rather than the 'red button' interactivity that digital television enabled. They integrated amateur and professionally-produced content, but were more likely to do it using desktop and laptop computers, smartphones and tablets, than TV sets. They increasingly watched video content on mobile devices, but trials of mobile broadcasting services using transmission standards like DVB-H did not prove popular. Rather than being in the centre of the digital revolution, as the digital TV industry and policy pioneers had enthused, broadcast television was, to some extent, overrun by it, even as it has adopted digital tools throughout its production, distribution, transmission, sales and marketing activities.

The scale of that overrunning, at least in the eyes of investors, is demonstrated by the stock prices of television companies in the region. Shares in Australia's Number 3 commercial network, Network Ten, worth

around \$2.50 a decade ago, ended 2015 at less than 20 cents (they were consolidated, 1 for 10, in January 2016). Seven West Media, owner of the top-rating Seven Network, hit a post-GFC low of AU\$4 in 2009 before strengthening, but were back down below 80 cents in late 2015. The Nine Network was recapitalized in a new company floated in 2013; the shares ended 2015 below their issue price. The gloom was not restricted to broadcast networks. Multichannel subscription operator Sky TV's shares fell below NZ\$4.50 in December 2015 after reaching nearly NZ\$7 in July 2014 (Murdoch sold out in 2013). Broadcast television's commercial decline was also reflected in the long, gentle easing of the once-seemingly-unassailable political power that helped it to call so many of the policy shots in the debates about digital TV. Some anticipated the complete shutdown of analogue TV and vacating of large amounts of spectrum for alternate purposes would simply lead to new spectrum demands by the old incumbents. Requests were made, but the Australian and New Zealand governments resisted them. Generous 'digital dividends' were engineered, broadcasters shut down the last of their analogue transmitters in December 2013, the vacated spectrum was re-auctioned, and the mobile broadband companies that acquired it launched more affordable, higher bandwidth services that inspired and helped manage surging mobile video consumption.

The devices many consumers used to watch mobile video, beginning with the iPhone launched in 2007 and joined by smartphones from other suppliers and later tablets, gave concrete expression to the "alternate uses of vacated spectrum" that figured prominently in debates about the benefits of digital TV switchover. That the spectrum once used for 'television' was redeployed for 'non-television' purposes in which incumbent television broadcasters had such a direct interest confirmed James Bennett's observation that digital TV switchover, based on "a traditional understanding of television as the 'box in the corner' [a]rguably...tell[s] us only half the story". Digital TV was *not* just TV. "Television as digital media must be understood as a non-site-specific, hybrid cultural and technological form that spreads across multiple platforms" (Bennett, 2011, p. 2).

As a "non-site-specific, hybrid cultural and technological form", digital television followed the international experience of analogue television before it. "Figures from official switchover programs...call our attention not only to some of the not-so-radical shifts that television's digitization engenders, but also to the fact that such transformations occur within specific national and local configurations", writes Bennett. The broad policy agenda was global—introduce digital transmission, eventually shutdown analogue and reallocate the spectrum for alternate purposes—but the precise policy elements were regional, national and local. "Although a variety of international contexts might all promote the digital switchover by emphasizing the

benefits that digital TV will bring consumers...and governments...the experience of digital TV differs greatly according to geography, but also to economic and cultural factors that speak to the role television has played in defining modernity” (Bennett, 2011, p. 3).

Analysing digital TV policy in the UK and the US, Hernan Galperin found little evidence that these nation states had yielded their capacity to shape their communications sectors to “the twin forces of technological change and globalisation” (Galperin, 2004, p. 272). Despite claims of global convergence in the regulation of media and telecoms industries towards ‘common rules based on free market principles’, he concluded:

“Faced with common macroeconomic challenges and a technology that challenged the fundamental parameters of the analog[ue] TV regime, nations forged distinct policy responses that in many ways strengthened their pre-existing differences in the organisation of broadcasting.....Such resilience of national media systems should not be surprising. In a sense, our modernist fascination with technology often obscures the fact that, while technological innovations are universal and rather easily transferable across borders, the economic and political arrangements that define how these innovations are deployed are not....Whereas many globalisation scholars would predict a gradual vanishing of historical differences in the organisation of media systems across nations—what the more alarmist of them would associate with an irreversible trend toward worldwide cultural homogenisation—we find that the transition to digital TV has been a vehicle for cementing those differences....[T]he future of television seems less wedded to the evolution of technology or global market forces than to politics, as usual.” (Galperin, 2004, pp. 275-276, 285-287)

Galperin’s conclusion is convincing for international policies about digital TV, but, so far, is less persuasive for the present ‘end of television’ moment, the introduction of streaming video services. It may even be less persuasive for policies at the end of the digital TV transition than it was for those at the start. Australia and New Zealand launched digital TV years apart in 2001 and 2008; they switched off their last analogue transmitters in the same month, December 2013. Netflix launched in both markets simultaneously 15 months later.

This may be scant evidence or simply a reflection of the increasing closeness of the two countries’ economies over the three decades since they established what is now one of the most liberal free trade regions in the world. But it may also reflect significant shifts in the nature of some of the brands, services and devices that have risen to prominence since the Dot Com crash in the early 2000s. NBC and CBS did not operate services in Australia or New Zealand and were never sig-

nificant brands there. So discrete were the national markets that Australia and the US could both have large ABC’s that were completely separate organisations. International brands existed in media and communications—Hollywood studios like MGM, movie franchises like James Bond, stars from Charlie Chaplin to Steve McQueen, Nellie Melba to Madonna—but rarely for broadcasters or communications companies, unless they had imperial origins like the BBC and Cable & Wireless. Now, Apple, Amazon, Google, Facebook and Netflix are major retail brands in A/NZ and throughout much of the world. They all have millions of regular overseas customers who expect they will be able to continue to use the services when they travel internationally—a practice much more common than it was even two decades ago. Netflix’s Ted Sarandos promotes the idea that no matter where a subscriber signs up, “when you push play [Netflix] works everywhere in the world on all different broadband speeds on all different devices” (Sarandos, 2015). Mobile devices travel around the world with their owners in ways that TV and radio sets rarely did, and need to connect seamlessly to mobile and wifi networks using several frequency bands. Different receivers have long been manufactured to suit incompatible electrical power and transmission standards; smartphones and other mobile devices are much more likely to incorporate multiple standards in models that can be manufactured, sold and used anywhere. Regional and global harmonisation of the frequency bands used for particular services and devices helps to reduce their cost, hence the intense work Australia put into developing the Asia Pacific Telecommunity (APT) plan for the 700 MHz band vacated by the shutdown of analogue TV in many countries (Australian Communications and Media Authority, 2015). To undersell these developments, while emphasising the intricate government policy manoeuvres about digital switchover, risks mistaking activity for impact. As Lotz notes of the US, most of the changes in industry operation that she discusses in *The Television will be Revolutionised* did not result from the competition that regulatory change was supposed to inspire; “instead they came largely from the actions of...consumer electronics and computing...companies outside the [regulator’s] purview” (Lotz, 2014, p. 52). Netflix is the exemplar of this trend.

The largely domestic identity of the enterprises that dominated national broadcasting systems and debates about digital TV in the 1990s and early 2000s was not an accident, it was policy. National governments created national public broadcasters and, even in the US, prohibited or limited foreign ownership of broadcasting enterprises. In the US, the companies that have come to dominate online music, books, video, search and social media since then are also domestic, often headquartered in the same state that still houses some of the giants of the movie and broadcasting businesses.

In A/NZ markets, the same California-based companies dominate digital services, but, unlike the TV broadcasters, they are distant. This may prove to be an outcome of some cultural consequence. In his book about Jim Clark, a co-founder of Silicon Graphics, Netscape and Healthon/WebMD, one of the most engaging chroniclers of commerce in the digital age, Michael Lewis, wrote “The business of creating and foisting new technology upon others that goes on in Silicon Valley is near the core of the American experience. It is distinctively us” (Lewis, 2000, p. xii).

4. Conclusions

For the *TV 2025* study referred to earlier, interviewees were asked if, in 2025, there would still be something we call ‘television’. Intel’s Tawny Schlieski responded “TV for me is episodic content in our home. It’s a unique form that breaks away from the plays and movies that preceded it. It provides us with characters and continuity that we want to invite into our intimate spaces over and over again. That isn’t going anywhere.” Joshua Green, from Arnold Worldwide, co-author of *YouTube* (2007) and *Spreadable Media* (2013), thought, “Television has trodden the edge of significant revolution its entire life. It has never been static. I think it’s got at least another decade in it.” “Consumers will still call it TV”, said AOL Platforms’s Mitch Waters, “but whether people in our [advertising] industry will view it that way, I’m not sure”. “As a device and as a medium,” said Yahoo!7’s Arul Baskaran, “I think television as we know it is going to disappear” (Given et al., 2015, p. 11).

Television in Australia and New Zealand did not end with digital transmission and it is not ending with Netflix or Fetch TV, but nor is the new television simply television—as some have suggested Michael Wolff argues, unfairly equating his recent title with his argument (Wolff, 2015). In Australia, New Zealand and everywhere else, television is and has been, in James Bennett’s phrase, a “hybrid media form” (Bennett, 2011, p. 7). It is what Milly Buonanno calls an “open medium...resistant both to theoretical imposition and to the empirical experience of fixed, essential and unchanging characteristics” (Buonanno, 2008, p. 41). Disagreements about the phases of its history in different parts of the world often reflect disagreements about the truth of this central proposition. There is no classic form of television, touched at some point in every TV market, away from which they are all now speeding. There is, instead, a set of technologies, social practices, cultural forms, industries, institutions, words and ideas that constantly transform, finding new shapes that sometimes embody features of old ones.

Digital TV, Fetch TV and Netflix offer different television futures. The policy-driven digital switchover process was intended to make incumbent broadcasters

central to the continuing structure of television in the two markets. The compelling reason for doing so was that it gave this most popular media form, the largest source of finance for local audio-visual production and a crucial contributor to cultural activity and understanding, the best chance to adapt to the transformations of the digital era. The risk was that broadcast networks would over-use the control to try to over-determine the outcome. Before the transition to all-digital transmission was complete, it was becoming clear that broadcasters had overplayed their hands, trying to do too much determining with the politicians who had played such a big part in crafting their medium, while adapting too little in the market place. They thought they *were* television, and for a long time they were. Right now they seem out of time. Many others can do what they do, and some of the biggest influences on their business are not just out of their hands but outside their places.

Fetch TV is one kind of response to the radical plurality of contemporary television, from an enterprise that believes television will endure, though perhaps with a different moniker. It seeks to muster all the televisions under a single service, bill and brand—the big screens in living rooms and the mobile screens in people’s hands, the channels, programs and user-generated content that is worth watching wherever it comes from, even the brands they crave, like Netflix. Fetch hopes that even if viewers and users stop talking about it as TV they won’t stop watching and interacting with it and recommending it to others.

At the time of writing, the most successful challenge to television in A/NZ was coming from a company that talks up the end of television (Guthrie, 2015), but serves up a very specific form of it. Netflix offers drama, documentary and children’s shows, a much more limited range of genres than broadcast or linear subscription operators; it offers them for a monthly all-you-can-eat price; and it offers them on-demand. Ted Sarandos says they are not interested in news—“The newsgathering space...is fairly commoditized and not particularly in line with our on-demand model”. Nor are they especially interested in sport. “The leagues have all the pricing power in that business forever [but] if there was a model where we could create our own sports league that might be interesting.” Further, “on-demand doesn’t make the sports experience better for the viewer. It’s the liveness of it” (Sarandos, 2015). Netflix is the opposite of Fetch. It is trying to be one kind of TV rather than all. Yet this constraint, this clarity of focus, does not imply fixity. The company has already undergone several profound strategic shifts, first transforming itself from a DVD rental company in the US (though it still has DVD mail order customers) to an online digital provider, then from a domestic to an international service, then again from a reseller of other people’s content to a producer of its own (Keating, 2013). It is not just that the current SVOD business

model appears to be working, because it is not working well for others. Netflix' A/NZ clone Quickflix moved early, adapted constantly and attracted many powerful supporters along the way: its shares were down from more than 20 cents in 2007 to just one cent in late 2015.

The political responses that Galperin would anticipate are already apparent. Both New Zealand and Australia decided in 2015 to extend their value-added taxes to "offshore intangible supplies", ensuring that digital content services like Netflix and iTunes would have to charge the same VAT as their A/NZ-based competitors. Incumbents called it "levelling the playing field"; others called it the "Netflix tax". While plainly prompted by the arrival of Netflix in 2015, the measures also made New Zealand and Australia early adopters of potentially global guidelines for business-to-consumer supplies of digital products and services being developed by the OECD (Sanyal, 2015). The Nine Network's chief executive declared that without changes to Australian media laws, Netflix's success in the local market would jeopardise Australian jobs and local programming. "Things are getting hairy amid increasing competition from overseas entrants", he warned. Netflix employed just one person in Australia and no journalists, was taxed differently and, because it did not use spectrum, paid no licence fee like TV and radio broadcasters (Davidson & Crowe, 2016).

Painted as a homogenous global conduit, Netflix talked of accelerating the distinctiveness of the services it was launching in a dizzying number of countries. "I like to say we differentially understand the marketplace", Sarandos told a UBS conference in December 2015. "I think every time we launch a new country we learn more about that region. There is very little that you can learn about operating in Australia by operating in Mexico." He wanted "people to love Netflix because they love the programming on Netflix and if part of that means local language programming versus subtitled and dubbed shows then we want to be part of that as well. And I think we can, we have the scale to do that." But so too, the company had found in Japan that whereas:

"90 per cent of the box office is Japanese film and 95 per cent of TV watching...is Japanese television...we are doing 30 to 50 per cent watching with non-Japanese programming....So I think that this very concentrated local viewing is more a reflection of the business climate than its local taste....The more international we are and the more global we are the more we can get better and better at that which I think is the next phase of film entertainment." (Sarandos, 2015)

This is the paradox of TV after TV: the more successful this new, global form of television is, the greater will be its capacity to assume from local incumbents the role they reluctantly accepted decades ago, of distinguish-

ing their television from what was available elsewhere.

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