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Thank you Kochie. Good afternoon everyone and thank you to Melinda and CEDA for the invitation to be here today.

I would also like to acknowledge First Nations people as the traditional owners and sovereign custodians of the lands on which we work and live, and pay my respects to their Elders past and present.

I've worked in or adjacent to the television industry for 34 years now, first in advertising as a media agency executive and then as an MD and CEO at two of our free-to-air networks.

I love television.

As an industry, it's an absolute buzz. It moves at a rapid pace. It gets a scorecard every single day in the form of audience ratings. And what it creates truly and deeply matters to many Australians. It drives conversations and sets the agenda.

Sunrise's wonderful Natalie Barr recently said to me, "James I've been reading the news for 14 years and when I go to sleep at night, I truly have no idea what I will be doing or talking about tomorrow at 5.30am".

That embodies what we are all about. Every single day, we bring Australians the best news on a live and local basis, unforgettable sporting moments, and great Australian entertainment and information content.

It's an escape from the everyday for many people. The honour of being an invited guest in people's loungerooms and now, even more so, on their personal devices is never lost on me.

And I love how television is evolving.

For as long as I've worked in television, the naysayers have claimed it is a dying industry.

Seven is viewed as legacy media with a multiple valuation to match what people see as a declining industry.

While of course you'd expect me to disagree, time and time again the facts prove this wrong. While it's something that really frustrates me, it's our fault. We haven't told our story clearly or strongly enough.

There is no doubt the industry is changing and doing so at pace. And in changing, we are building an incredibly sophisticated offer that cannot be replicated in size and scale.

TV as you know it – the thing hanging on the wall where you change channels with a remote control – is not TV at all.

That set on the wall is just a part, albeit an important part, of a video ecosystem we call total television. That total television market is much bigger than you think. It's growing. It's digital. It's mobile – and we are tapping into those growth markets at a staggering rate.

Take the state of the streaming market globally and locally. The assumption until recently was that the streamers would roll over the top of the old legacy media business.

But with a US\$100 billion global investment in content, none of the streamers are making any profit.

It's a great case study for legacy media. The legacy studios have simply taken back their content, removing it from the aggregators like Netflix, developed their own streaming services and suddenly the world for the likes of Netflix isn't looking so easy.

Don't worry, says Netflix, we'll pivot to a lower cost advertising model, but actually it's not quite that simple.

Here in Australia, and around the world, other than the streamers' owned content, content is sold in AVOD and SVOD rights windows and is locked up for many years. In Australia we have a number of shared titles you can watch on 7plus or Netflix. But Seven has the AVOD contract so Netflix can't have them.

In Australia, there more than 20 streaming services, excluding the free-to-air television services. The top five hold over 85% of the market. Consolidation and economic responsibility will start to play out in streaming as we move forward.

Here in Australia, television makes a huge economic contribution.

According to research by Deloitte, the total contribution of the commercial television industry in 2019 was \$2.3 billion.

We supported more than 16,000 full time equivalent positions directly and indirectly.

And it is estimated that 230,000 international tourists visit or extend their stay as a result of viewing Australian TV and film content, generating \$725 million in tourism expenditure a year.

Sport is a real way of life for Australians and for our kids.

Media rights are the lifeblood of sport and with an estimated \$1.5 billion of rights payments a year.

The television industry completely underpins the national competitions and allows them to reach the whole of Australia for free.

Looking forward, it's clear to see that when free-to-air television invests in content, we absolutely draw in audiences and eyeballs. When you consider this chart, you can see that we are not in decline, we are actually growing our audiences. No matter the demographic, total television in all of its forms is the most dominant of any medium. Screen time is growing, and our content is connecting.

The right of the chart shows our digital BVOD services, which is actually the AVOD market. BVOD is booming and growing at a staggering rate.

Seventy-six per cent of our BVOD audience is aged under 50. They choose to watch us like a streaming service on their mobile, laptop or a connected television whenever they want to.

These are massive numbers. To put 7plus in perspective, we now have 12.5 million verified, registered users. This is an incredibly powerful marketing platform. When big data is overlaid – in our case six billion data points – marketers have a powerful addressable medium which delivers quality video with big data, and it's done so in a brand safe environment. And that is why we make different decisions on content... it's not just about broadcast. We now invest in digital to engage viewers on the platforms where they are watching our content.

More importantly, when we measure television correctly, we are growing. It is without doubt the quickest and most effective reach builder for advertisers.

For 22 years the industry has owned and published the OzTAM ratings data daily. It's been robust and world best practice. But for 22 years, we've shown our decline year after year after year. So, despite the changes to viewing and the inclusion of digital, as an industry we've been complacent and continued to do the same thing.

At Seven, we've been leading the charge on changing the way our audiences are measured and reported. The industry's new measurement platform, called Virtual Oz or VOZ, will report true viewing numbers for our content from the start of calendar year 2023.

So, when total television is measured correctly, you can see that on an overnight basis we reach 14 million people. That grows 21% four days later and another 29% in 28 days. Now,

given we trade and negotiate and post-analyse campaigns on a 28-day basis, that's a 57% increase from overnight audience numbers.

So, the challenge I put to my TV peers is: let's get rid of overnights, even for just a month, and start to tell the real story. That's what happens in the UK and the US where they focus on three days and seven days.

We hear all the time that everyone is streaming, with the inference that no one is watching television.

These two charts show all video in the home and on devices. On the left, you can see that 77% of all viewing across the week is on total television platforms. And the graph on the right shows that if, in fact, you would like to advertise to those audiences, 90% of the available opportunities today are with free-to-air television.

It's pretty staggering when you think that even though screen time is booming, with different viewing patterns and habits, when people sit and watch video content, free-to-air television still has 90% of the advertising opportunities.

So, there is plenty of life left in legacy media. We are truly swimming in a new lane and pivoting to digital growth markets. Four years ago, digital accounted for just 2% of Seven's earnings. For FY22, that will be greater than 40%.

According to the latest PwC Entertainment Outlook report, the BVOD advertising market will grow from \$300 million in 2021 to \$900 million by calendar 2025. With 7plus and quality, addressable, data-driven campaigns, we are coming for our share of the \$2.5 billion AVOD market, which is dominated by YouTube.

This chart indicates the potential for Seven to move from competing in a television only market worth \$3.8 billion a year to competing in a total TV advertising only market worth \$6.6 billion – and that market is still growing at a rapid pace.

Our future continues to be our obsession with quality content that Australians want to watch. If we do that successfully, we will continue to thrive.

Good Australian content has far-reaching impact beyond the number of people who watch it each day.

It enriches the social fabric of Australia. It informs voters. It holds the powerful to account. It tells stories. It provides employment. It promotes Australian tourism.

Every year, Australia's commercial free-to-air television networks spend \$1.5 billion producing local content and telling Australian stories.

That translates into about 23,000 hours of Australian content broadcast on commercial television every year.

Of all the money Australian commercial television networks spend on content each year, about 85% is spent on Australian content.

Australians also want, expect and deserve to be able to watch sport on TV, for free – be it AFL, NRL, cricket, the Olympics or the Melbourne Cup.

They don't want the sports they know and love locked behind paywalls.

The love of sport – and access to sport for free on TV – is a core part of Australian life. Everyone can watch it. It creates heroes. It inspires and it unites the nation.

Australians also want to see Australian stories in the drama, entertainment, reality and lifestyle shows they watch.

They want to see themselves – and their society – reflected in that content, not just a version tailored to be palatable to a global audience. That is why the free-to-air networks' content is constantly evolving to be more diverse and inclusive, and why our content and services continue to appeal to Australian audiences.

Television is everywhere. Yet, its very ubiquity means that its reach and impact can sometimes be overlooked, and the very real contribution it makes to our economy and way of life can be taken for granted.

To demonstrate this, we commissioned ACIL Allen to measure the impact Home and Away has had on the Australian economy, cultural landscape and tourism over the past 34 years. I'd like to acknowledge our superstar cast and crew from the show who are here today and who are among the hardest working team you'll find anywhere in television.

The results of that research are being released today.

And the top-line findings are pretty remarkable.

They quantify and highlight Home and Away's real impact on economic activity and the Australian production sector, tourism and its significant contribution to our society.

The results underscore free-to-air television's important role in shaping our national identity.

From 1988 to 2021, Home and Away:

- Has been sold to 145 countries around the world.
- It generated export revenue of more than \$1 billion.
- It increased the real income of Australia by \$7.5 billion.

- It created almost 13,000 employee years.
- And it directly and indirectly contributed to Australia's international reputation, generating benefits through domestic and international tourism.

[Video plays]

In addition to the impressive numbers you just saw, the results of research conducted in the UK, Ireland and New Zealand reveal Home and Away's impact on desirability to visit Australia.

That impact is significant. Among current or lapsed viewers in those markets, 33% said Home and Away increased their desire to visit Australia.

Put another way, Home and Away is one big ad for Australia. And a good plug for television as an effective marketing platform.

We don't simply make Home and Away because we have to.

We make it because Australians love Australian content.

But the regulatory framework needs to evolve to continue to promote the unique aspects of our industry.

Good television regulation is about keeping it free, local, trusted, competitive and found.

Free means promoting a healthy and competitive advertising market, where the digital giants don't control the entire value chain, so that we can continue to fund the important content we make.

Free means keeping sport on free TV by ensuring Australians have access to events like the Olympics or their local AFL derby without having to pay.

This is achieved through the anti-siphoning list, which ensures the most popular sporting events are on free-to-air television and not on subscription television.

But there is a loophole in the anti-siphoning list. Currently there is nothing preventing sporting codes selling directly to streaming companies, with the entire sport disappearing behind a paywall. Closing this loophole should be an important priority for the new Government and we are pleased that the Prime Minister and Minister Rowland have both committed to keeping sport free and a review of anti-siphoning as a policy of this new Government.

Local – our second factor – means local stories told through a local lens.

At Seven we are required to run 55% Australian content between 6.00am and midnight. We don't just accept this condition as part of our licence requirement, we celebrate it: in fact, it's what makes us unique.

But we don't need artificial competition introduced into content creation. That's why I am calling on our new Government to not introduce SVOD quotas, as it will drive up prices even further.

Next, we need to talk about trust. How and where people see our content is key to the type of society we live in. We have an open and free democracy where all views are, and should be, explored.

However, with the rise of the digital giants, we have new gatekeepers writing the rules that govern what we see on their ubiquitous platforms.

Our open and free democracy is something to be proud of, and the role of a fearless and accurate media, free from misinformation, is key to this. That is not to say we don't get it wrong sometimes, but when we do, we are held accountable.

Meta's ability to control the algorithms that determine what we see, when we see it and where, was clearly demonstrated by the removal of all news and additional Government sites from their service last year. Given we know what they're capable of, it's hard to buy the argument that it's too hard to eliminate unapproved, fake ads of Kochie spruiking financial products. When motivated to control what we see, they easily find a way.

So, when we talk about why we will continue to be relevant, a lot is centred around trust.

Competition is also an important part of the media sector. It ensures diversity of opinion, provides options for advertisers, and ensures a large variety of entertainment options for Australian viewers.

But the economy-wide impact of the digital platforms on competition cannot be understated. In the Digital Platforms Inquiry, the ACCC uncovered that digital platforms have substantial market power. A bargaining imbalance is present, and they are unavoidable partners for so many. But what we have seen in the media sector is just the canary in the coal mine.

Digital platforms are now deep in the business model of so many Australian businesses and are essential to running a business in a modern economy. The global digital businesses have enormous power. Their tentacles are far reaching and cover sectors like finance, travel and retail just to name a few.

That is why the ACCC's March discussion paper for updating the competition and consumer law for digital platform services is such an important document, not only for media but for the broader economy.

In fact, I would say it's as important to us as the News Media Bargaining Code. The Digital Platforms Services Inquiry due to be completed in 2025 is broader than just our sector. It looks at the intensity of competition in markets for the supply of digital platform services, including electronic marketplaces.

We call on the new Government to maintain the focus on the important work the ACCC is doing.

But all of this important work by the Government and the ACCC is fruitless if Australians can't find us. That is why the immediate priority for Minister Rowland is to regulate prominence of free-to-air television services. We were delighted that, prior to the election, the Labor Party committed to regulating prominence. Now they are in Government, this is set to become a reality and we hope that this can be put into legislation by the end of 2022.

This is now urgent, because according to ThinkTV research, connected TVs, or internet-based TVs, now account for 56% of all television sets in Australia. That figure is still growing.

Connected TVs provide viewers with more choice, but with this choice comes the rise of gatekeepers who choose who gets to be seen first and who is the most easily found, positions which often go to the highest bidder.

There is no denying that finding content on connected TV sets is getting harder and harder. The big multinational content companies are paying to get the best spots on the TV and the remote. Operating system providers are deciding how content is ordered and how it is served to viewers.

The free-to-air television business model requires us to be advertising funded, which relies on us being freely available to all Australians.

The regulatory framework must be updated to ensure the prominence of commercial broadcast services.

Other countries, like the UK, have already recognised the threat to their free TV broadcasters and have announced plans to introduce legislation to address this problem as soon as possible.

By ensuring we remain prominent we can continue to invest our resources into producing news and Australian content more broadly, not staving off invisibility and bidding against cash-rich conglomerates that want to divert viewers away from free Australian news, sport, drama and entertainment services.

When advertisers want to build brands or promote their products, their #1 choice is commercial free-to-air television.

When a sports fan wants to catch their team's blockbuster game, their predominant choice is commercial television.

When a sports organisation wants to reach their audience, they turn to commercial free-to-air television.

That dominance of both audiences and advertisers is what keeps commercial television relevant and profitable.

Careful management of that profitability enables us to invest in Australian stories. This closes the loop – engaging audiences and advertisers.

And in the process, we create enormous value for the Australian economy, reflecting OUR culture and telling OUR stories. I'm incredibly optimistic and excited about the future of television.

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About Seven West Media

Seven West Media (ASX: SWM) is one of Australia's most prominent media companies, with a market-leading presence in content production across broadcast television, publishing and digital.

The company is home to some of Australia's most renowned media businesses, including the Seven Network and its affiliate channels 7two, 7mate, 7flix; broadcast video on demand platform 7plus; 7NEWS.com.au; The West Australian; and The Sunday Times. With iconic brands such as Australia's leading news and breakfast programs **7NEWS** and **Sunrise**, **Big Brother**, **SAS Australia**, **Farmer Wants A Wife**, **The Voice**, **Dancing With The Stars: All Stars**, **Home and Away**, **The Chase Australia** and **Better Homes and Gardens**, Seven West Media is also the broadcast partner of the AFL, Cricket Australia, Supercars, the Commonwealth Games and the Olympics.