

PUBLIC VERSION

My concern with NEP acquiring Sky TV's OSB Assets is that it will severely lessen competition in the market for top tier broadcast events in New Zealand

The NEP submission contains many inaccuracies / falsities, and the critical parts have been redacted. Without knowing what they have listed as the counterfactual, we can assume that [].

This is clearly not possible due to the market in NZ not having the capacity to step up and take on Sky's workload of committed top tier events that it is contracted to broadcast. [].

[].

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In reality this will be the first time in over a decade Gravity has brought any significant asset into NZ to cover an event.

Gravity cannot be considered as equivalent competition to OSB because without an NZ base, staff, and equipment held in this country they are unable to compete when these extra costs are taken into account.

The merger application lists only 7 competitors and potential competitors for the newly merged firm, but these are partial competitors with a much smaller audience, often with a niche product or niche geography, and thereby covering only a fragment of the market covered by the applicants. They are not closely substitutable products and they are not in the same market.

OSB and NEP NZ are the only two operators in NZ providing top level broadcast services in NZ. Players like Image NZ come close - but still cannot compete on the top level broadcasts due to the cost of professional equipment broadcasters have come to expect and require. Image NZ were incorrectly listed as being selected to film dancing with the stars. [].

NEP NZ was itself selected to film dancing with the stars.

Circle-o productions are not yet operating in NZ, they have no staff or equipment here yet. They are planning on bringing in staff and equipment (Subject to VISA applications which may be declined due to COVID-19) They exist to produce one event and one event only - their equipment is not available for hire. They plan to exit NZ and take all their equipment with them once the America's cup event is completed. They cannot be considered a competitor.

Whitebait Media have only one facility heavily committed to the production of their own content, and it is essentially unavailable for third parties due to this.

ShowVision does not appear to have an available website so I was unable to check, but I understand they no longer own an outside broadcast van, and should not be considered a competitive option for third parties.

NEPs submission made many points about 4k broadcasts, and how OSB are not suited to doing this.

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Sky have no 4k product offering or platform – they have no public plan for 4k sport, and their CEO Martin famously cancelled the platform project to create a 4k Set top box and told media the current HD system was ‘good enough’ (<https://www.stuff.co.nz/business/115273620/sky-rolls-out-its-vision-for-telly-after-record-lowshare-prices#:~:text=The%20IVP%20project%2C%20which%20Stewart,redundancies%20to%20another%20%245%20million.>)

NEP has a history of buying competing companies to remove market competition. Their Wikipedia page illustrates the widespread nature of this – they have acquired around 24 competing companies since 2012. Their global dominance is bad for competition and on the whole bad for the broadcasting and media industry.

The reality is you cannot go from only two high spec Outside Broadcasting suppliers in NZ, to only one, without it being a substantial lessening of competition. They are attempting to create a monopoly.