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### **FREE TV REJECTS PAY TV'S LATEST MISLEADING CLAIMS**

Free TV Australia rejects pay TV's latest claims about the cost to government of so-called "privileges" to the Free TV industry.

Free TV Chairman Harold Mitchell said: "There is something deeply ironic about a monopoly that wants to charge ordinary Australians hundreds of dollars a month to watch their favourite sports complaining about the cost to taxpayers of a free service.

"Pay TV's business is about one thing: making people pay for content they currently get for free.

"We have only seen the media reports, but this looks like a re-hash of the absurd and misleading claims pay TV made to the Convergence Review."

Commercial free-to-air television services are highly valued by viewers and government for their sustained delivery of important public goods such as: informing the public and creating diversity in news and current affairs; promoting and reflecting our national identity through Australian entertainment programs, drama, documentaries and children's content; and broadcasting iconic sporting events – all provided ubiquitously and for free.

The high costs to broadcasters of delivering these public goods continue to rise sharply. In 2012-13 Free TV broadcasters invested \$1.35 billion in Australian content. Despite the increasingly crowded media market, free-to-air television remains the only industry sector willing and able to deliver these valuable services to the Australian public for free.

The latest ASTRA claims

- Ignore the fact that on any measure Australian broadcasting licence fees remain the highest among comparable countries;
- Incorrectly describe the costs of the government's digital switchover policy as 'support' given to the free-to-air sector rather than the cost of selling the spectrum;
- Fail to take into account the return to government from the sale of the spectrum released by the digital switchover, which has raised nearly \$2 billion with up to another \$1 billion expected from the sale of the remaining spectrum;

- Fail to make any attempt to acknowledge or value the public benefits delivered by free-to-air television; and
- Completely ignore the fact that the Pay TV business has been built on accessing free-to-air channels for free.

“We are disappointed pay TV is using the Audit Commission to peddle this nonsense,” Mr Mitchell continued.

“The National Audit Commission and the new government’s deregulation agenda present a real opportunity to have a serious policy-based discussion about the economic impact of regulation on business and ensure all sectors of the Australian media are able to compete on even terms in an increasingly competitive global media environment.

“Using this review to take pot shots at competitors in our view shows a lack of respect for a very valuable process.”

**For media enquiries contact Free TV Australia on (02) 8968 7100**