

## Free TV is now a critical service - it's time to unburden it

The COVID-19 pandemic has changed the lives of Australians more quickly and comprehensively than any other event in living memory.

The crisis is forcing us into isolation and making us focus on what is really important – our families, friends and communities. People are turning to their furry friends for comfort and company: the RSPCA recently reported a 35 per cent jump in animal adoptions across NSW. And at liquor stores, beer is the new toilet paper.

The crisis is also driving an appetite for accurate information, so it's not surprising that we have seen a huge increase in television viewing figures across all demographics, across the country, and across all programming genres, particularly for news.

Free-to-air TV broadcasters are acutely aware of their important community role in providing universal and trusted services, particularly in times of crisis.

But the commercial networks have long been struggling under the burden of regulations crafted in the previous century which make it increasingly difficult and costly to fulfil this critical role. Instead of concentrating on providing more of the programs that audiences demand, they are locked into servicing quota obligations which have become increasingly unsustainable.

This is not a new issue – the industry has been calling for change for over a decade. But the impact of COVID-19 on advertising and program production has seen local content quotas move from unsustainable to unattainable in just two weeks.

The community's increased reliance on free TV is clear from the viewing figures. Around 15 million Australians tuned into something on commercial television in the past week. Average audiences on primary commercial television channels have grown by 24 per cent since mid-February. The growth has been even more stark in news, with audiences growing 41 per cent.

The viewing spike is particularly noticeable in news consumption by viewers under the age of 55. Their numbers have grown by around 60 per cent as younger people join the family around the telly to watch the news.

As Australians cut household budgets, there is one line item that won't change, and that is the zero cost of free TV.



The reason for this surge isn't just because people are confined to home and able to watch, although that is a big factor. It also reflects the trust which audiences have in commercial television news, and the fact that it is free and universally available. In regional areas, people are tuning in for a local perspective on the crisis.

When corona news fatigue sets in, free TV is there to connect our community with shared entertainment experiences. The recent Married at First Sight, MKR, Australian Survivor: All Stars and Dancing With the Stars grand finals were huge hits. More Australians are beginning their day with commercial television, with breakfast and morning shows all showing strong audience growth, in some cases up to 76 per cent.

Normally this would be a bonanza for free TV broadcasters, but unfortunately this rise in audiences is unlikely to be rewarded by increased advertising revenue.

In the normal course of things, revenue could be expected to follow audience. There are great opportunities for brands to speak and government to reach highly engaged audiences, but the large number of Australian businesses entering "hibernation" means a devastating slide in advertising spend.

With subscription services Netflix, Amazon and Apple limiting the streaming quality of their content to reduce the strain on communications networks, and a telecommunications CEO asking Australians to moderate their internet usage to bolster the performance of the NBN, free TV's dedicated broadcast network is delivering a reliable 24/7 service.

As hundreds of thousands of households lose income, every dollar counts. Australians are reassessing their budgets to see what they can afford in the midst of this health and economic crisis. As they do this, there is one line item that won't change, and that is the zero-dollar cost of free TV.

For many years now, the free TV broadcasters have been asking the government to work with us to develop a new regulatory framework suitable for a world where broadcasters must compete with online content providers and digital platforms. In the COVID-19 crisis, the most immediate issue is to recognise that commercial networks will be unable to meet their Australian quota obligations while there is no sport being broadcast and very little local drama or reality TV being produced.

Payment of overpriced spectrum fees should also be removed to assist with urgent cash-flow pressures.

But it is equally important that whenever the situation does begin to improve, the regulatory context provides certainty for the future. What we need more than ever is a forward-facing regulatory environment to deliver sustainability for free TV broadcasters, who still account for the lion's share of spending on film and television production in this country.

This will go a long way towards securing the future of the content producers who rely on us to commission their programs.

**ENDS**



**For media enquiries, please contact:**

Bridget Fair  
Chief Executive Officer  
Free TV Australia  
M: 0417 260 478  
E: [bfair@freetv.com.au](mailto:bfair@freetv.com.au)

**ABOUT FREE TV AUSTRALIA**

Free TV Australia is a leading media industry organisation. It represents all of Australia's commercial free-to-air television licensees through advocacy, innovation and strategic advice. The members of Free TV Australia are Seven West Media, Nine Entertainment Co, Network 10, Southern Cross Austereo, Prime Media Group, WIN Network and Imparja Television.