



Submission by Free TV Australia

2026–27 Pre-Budget Submission

The Treasury

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1. Executive Summary

Context

- Commercial television broadcasters provide a service which is a public good—free universal television services delivering trusted news, Australian content and live and free sport.
- Commercial television broadcasters face significantly heavier regulatory burdens than their competitors, most notably a special tax known as the Commercial Broadcasting Tax (CBT) costing broadcasters over \$50 million per year, which is not paid by any of the media platforms they compete with.
- In addition, broadcasters are licensed and regulated by the ACMA and subject to significant Australian content quotas, election blackout laws and advertising restrictions and limits that do not apply to their competitors, many of whom do not pay regular Australian taxes and divert their profits to overseas jurisdictions. While considering budgetary measures to support the sustainability of licensed broadcasters, the Government should review and discuss with broadcasters outdated regulations like ownership and control rules that limit licensed broadcasters but not online-only competitors.
- Free TV broadcasters spend \$1.625 billion annually on Australian content—an investment that dwarfs the amount spent by other platforms (\$400 million by global streamers) and which underpins the Australian independent production industry.
- Commercial television reaches 20 million Australians every week with content that supports social cohesion and Australian democracy, delivering the lion’s share of cultural policy objectives in Australian media regulation.
- However, the sustainability of our Free TV broadcasters is at risk. By law they are limited to earning revenue from advertising and now face significant competition from less regulated overseas-based big tech competitors who make free use of the taxpayer-funded NBN but do not pay regular taxes, let alone special taxes over and above them.
- Key digital platforms initiatives proposed by Government—the News Bargaining Incentive and the proposed new digital competition (ex ante) regime—are aimed at addressing competition issues arising from the dominance of these big tech players in Australia, as well as sustaining news media in Australia, however, they have been either significantly delayed or have stalled.
- This delay makes the Budget measures set out in this submission more important now than ever.
- Commercial broadcasters are very grateful for the Prime Minister’s recent strong statements of support for what they do. In a recent speech, the Prime Minister noted that ‘your role is absolutely essential in our democracy because the nature of the product that you produce is democratic. Anyone can turn on their TV. They don’t have to pay for it’.¹ He said that what they do matters and that his Government has their back.
- It is now time to convert these strong statements of support into action, including by implementing the budget measures outlined below, to ensure the future sustainability of the sector.

Budget measures

Extend the CBT suspension

- The CBT was suspended for one year from June 2025 to provide financial relief to commercial broadcasters facing ongoing pressures, to support media sustainability and news provision, and allow time for a “future of television” review where the tax could be considered in the context of broader regulatory reform.

¹ Hon Anthony Albanese MP, speech at the Free TV Parliamentary Showcase ‘Shaping a Nation’, 2 September 2025.

- These competitive and financial pressures on Australian broadcasters not only persist they have increased, and the promised future of television review has still not commenced more than a year after it was announced.
- There is a strong case to extend the current suspension of the CBT in the May 2026 Budget for a further two years to support sustainability of the commercial television sector and to allow the future of television review to take place where the policy justification for the CBT can be comprehensively reviewed. Industry is ready and willing to participate in the review, and it should begin as soon as possible.
- Free TV has consistently argued that there is an overwhelming case to abolish the outdated CBT. It was an interim measure introduced for a period of five years in 2017. Despite a legislative requirement to do so, it has never properly been reviewed.

Regional Infrastructure Support

- While the review is being undertaken there is also an immediate need for targeted infrastructure funding to support continuity of free TV in regional Australia.
- Urgent financial support is needed for transmission infrastructure in three priority areas in particular (Remote Central/Eastern Australia, Regional/Remote WA, and blackspot sites along the east coast) where 12 to 15-year-old equipment is failing and advertising revenue cannot support its capital upgrade.

News Support measures

- Commercial television broadcasters spend more than \$400 million annually delivering news to 11.4 million Australians weekly, broadcasting 390 local news bulletins every week.
- Trusted, accountable news and current affairs programs like those produced by commercial television broadcasters are a public good that underpins Australian democracy. However, broadcasters are under financial pressure in producing them.
- While the News Bargaining Incentive (**NBI**) consultation process is welcome, it is now almost two years since Meta walked away from deals under the previous News Media Bargaining Code, removing tens of millions of dollars from news publishers. Google deals will expire in the first half of this year. There is an urgent need to expedite consideration of the NBI, so it can be legislated and commercial deals concluded with the platforms as soon as possible.
- A news and current affairs rebate similar to the Producer Offset for dramas and documentaries should also be introduced allowing licensed broadcasters to claim a rebate on eligible news expenditure to support this important public interest content that is an essential component of a strong Australian democracy.

Recommendations

- Extend the current suspension of the CBT for a minimum of two years while the Government undertakes its promised review of the future of terrestrial TV.
- Provide urgent financial support to sustain broadcast transmission infrastructure in regional Australia.
- Introduce a rebate for eligible expenditure to incentivise the production of news and current affairs content.
- Expedite consideration of the News Bargaining Incentive to support fair payment by big tech for the use of trusted Australian news.

2. Introduction

Free TV Australia appreciates the opportunity to lodge a 2026–27 Pre-Budget Submission with Treasury. Free TV Australia is the peak industry body for Australia’s commercial television broadcasters (information about Free TV and its members is at **Attachment A**).

This submission focuses on the issues of the outdated Commercial Broadcasting Tax, the sustainability of broadcasting in regional Australia, and a proposal to sustain and incentivise the production of news and current affairs programming by licensed commercial broadcasters.

It is separated into the following sections:

- **Section 3** – provides context to the Budget measures recommended in this submission by setting out the regulatory imbalance between licensed commercial broadcasters and their online-only competitors. It also sets out a range of digital platform regulatory measures the delay of which has put serious revenue pressure on Australian media organisations.
- **Section 4** – addresses the importance of abolishing the Commercial Broadcasting Tax.
- **Section 5** – sets out the need for urgent support for regional television transmission.
- **Section 6** – proposes introduction of a News Production Offset to support investment in and delivery of this vital community service for all Australians.

3. Regulatory imbalance and the cumulative impact of delayed regulation of Big Tech in Australia

The regulatory burden on commercial television broadcasters compared with their online-only competitors, and delayed action in relation to addressing the market power and conduct of big tech firms, has a material impact on the financial sustainability of Australian commercial broadcasters. Government should take this operating context into account when considering budgetary measures set out in this submission.

Australian commercial television broadcasters are the most heavily regulated in the media sector being subject to regulations relating to ownership and control, significant time-based Australian and local content requirements, taxation that applies only to them (as well as general taxation), and advertising rules that apply only to broadcasters.

While considering budgetary measures to support the sustainability of licensed broadcasters, the Government should review and discuss with broadcasters outdated and increasingly obsolete regulations like ownership and control rules that apply to licensed broadcasters, but not digital competitors who sell advertising against them. In the modern era these rules can prevent local broadcasters from being able to compete effectively.

A good example is the “minimum voices” rule, which at the time of its introduction was aimed at ensuring a minimum number of independent media groups operate within specific commercial radio licence areas. It considers commercial television broadcasting licences, commercial radio broadcasting licences and associated printed newspapers. The rule can prevent certain mergers or acquisitions that deal with these specific types of media but does not apply to online-only providers. At a time when the Government is providing support to online-only news outlets through the News Media Assistance Program it is appropriate to consider removing regulatory limits like the minimum voices rule.²

More broadly, as shown below, the regulatory burden experienced by licensed commercial broadcasters is significantly imbalanced when compared with the regulatory burden applied to online-only competitors. This regulation comes with significant cost.

Examples of regulation imposed on content service providers in Australia	Commercial TV broadcasters	Online-only services	Newspapers
Licence fees/broadcasting tax	✓	✗	✗
ACMA industry codes and standards with investigation pathway	✓	✗	✗
Hourly advertising limits	✓	✗	✗
Gambling advertising regulation	✓	✓	✗
Program classification required	✓	✓	✗
Minimum voices rule	✓	✗	✓
One-to-a-market rule	✓	✗	✗
Australian content quota/expenditure obligation	✓	✓/✗ ³	✗
Australian content in advertising standard	✓	✗	✗
Local news quota – regional only	✓	✗	✗
Closed captioning	✓	✗	✗
Online Safety Act	✗	✓	✗
Election advertising blackout rules	✓	✗	✗

² For example, the Journalism Assistance Fund, applications for which were due in late-2025, applies to Australian news publishers distributing news content digitally. Detail is at <https://business.gov.au/grants-and-programs/journalism-assistance-fund>.

³ Subscription video on demand services like Netflix, Disney+ and Amazon Prime, with at least one million Australian subscribers will soon be required to invest at least 10 per cent of their total program expenditure for Australia, or 7.5% of their Australian revenue, on new local drama, children’s, documentary, arts and educational programs. However, advertising-based video on demand (AVOD) services like YouTube are not subject to Australian content requirements.

Many of these online-only competitors are owned and operated by global digital platforms (like Google, Meta, Microsoft, Apple and TikTok; otherwise referred to here as big tech firms), who also enjoy significant market power over local media providers.

Free TV's members acknowledge and appreciate that a number of reforms to address imbalances were delivered in the 47th Parliament—including in relation to mandating prominence of local television services on connected TVs, and some amendments to the anti-siphoning scheme governing access to rights to televise sport free for all Australians.⁴

As noted in Section 4 below, we also acknowledge the temporary one-year suspension of the Commercial Broadcasting Tax from 9 June 2025.

However, as set out below, it is the cumulative impact of delayed digital platform regulation that has created an environment of uncertainty that is fundamentally impacting the sustainability of local broadcasters.

3.1 Regulatory delays with significant financial impact

Several critical regulatory initiatives have experienced substantial delays:

- **News Bargaining Incentive:** The NBI was announced in late-2024 with a start date of 1 January 2025 with the aim of ensuring large digital platforms contribute to the sustainability of news and journalism in Australia. Consultation on the design of the scheme did not commence until 11 months later in November 2025.

While the consultation is welcome, and Free TV and its members are engaging fully in the process, implementation is essential as soon as possible in 2026 so that our members have certainty about future funding arrangements.

The NBI follows Meta's decision in March 2024 to walk away from commercial deals with Australian news publishers, made in the context of the News Media Bargaining Code (the **Code**), resulting in the loss of over \$70 million per annum to the broader news industry.

The absence of Meta from the bargaining framework since then has created downward pressure on negotiations with Google, with whom broadcasters have deals that are due to expire in mid-2026. That is why early implementation of the NBI in 2026 is so essential.

The adjacent News Media Assistance Program compounds these challenges by excluding foreign-controlled applicants (such as Network 10/Paramount), even when they are licensed broadcasters providing local news services to Australian communities. Future grant rounds should include such organisations who make a significant contribution to Australian news.

- **Ex ante regulation of digital platforms:** In 2021, the ACCC identified major anti-competitive issues in the digital advertising technology market and recommended ex ante rules to address them. Treasury consulted on a possible digital competition regime in December 2024, focusing on both advertising technology and app stores, yet no action has been taken in the 12 months

⁴ While these reforms were welcomed there remain significant shortcomings. In particular, while prominence legislation was passed in 2024, it only applies to television sets manufactured after January 2026 and will take 5–10 years to have any real impact in a fast-moving sector—a software issue has been addressed through hardware requirements. The anti-siphoning legislation still contains a digital loophole that could see broadcasters cut out of free streaming rights (required for services like 7plus, 9Now and 10, Network Ten's free streaming service), with the promised review not scheduled until 2026.

since then.

This ongoing delay means broadcasters continue to be hindered by the anti-competitive actions of big tech platforms in these markets, directly impacting their ability to compete fairly for advertising revenue.

Other recent developments, or impending policy decisions, add to the cumulative burden on commercial broadcasters:

- The new privacy tort could increase litigation against broadcasters notwithstanding a journalism exemption. Future privacy laws may impact advertising data use.
- New content quotas for subscription video on demand (**SVOD**) services will raise production costs for all content makers.
- On copyright and AI, the Attorney-General's Department is currently focusing only on domestic scraping of copyright material from Australian news sites when the real problem is offshore scraping by global technology giants.
- Further regulation of gambling advertising on television and digital services will reduce revenue and increase compliance costs.

4. The Commercial Broadcasting Tax should be abolished

The commercial television industry has been grateful for the temporary one-year relief provided through the suspension of the CBT from 9 June 2025. However, the sector urgently needs certainty as to the future of this outdated tax to plan for its future, invest in Australian content, and maintain services to all Australians.

Almost \$50 million annually in CBT payments currently due to recommence in mid-2026 could otherwise maintain jobs and fund important public interest content—including news, current affairs, and sports coverage—delivered to all Australians free of charge by commercial broadcasters.

There are strong grounds to abolish the CBT. However, if the Government is not minded to abolish the CBT at this time, it should extend the current one-year suspension for a minimum of two years in recognition of the ongoing financial pressures faced by broadcasters.

4.1 The promised review of the future of TV has not been commenced

When it was announced in December 2024 that the CBT would be suspended for one year from mid-2025, the relevant MYEFO papers noted that this was to provide relief to the commercial broadcasting sector to contribute to media sustainability and the provision of news for all Australians.⁵

In her February 2025 press release about the suspension, the then Communications Minister noted that ‘the measure will provide temporary relief for commercial broadcasters in the face of continuing financial pressures impacting the sector’. The Minister said that:

Free-to-air broadcasting services keep Australians informed and entertained with high quality programs that feature local voices and stories.

The sector continues to face a challenging operating environment, which is why the Government is providing relief by suspending the Commercial Broadcasting Tax for one year.

This measure is in addition to the Government’s delivery of media reforms to modernise the regulatory framework, the provision of stable funding arrangements for the Viewer Access Satellite Television service and our commitment to work with industry on a plan to secure the future of free-to-air television across Australia.⁶

It is very important to note that a key reason for the suspension was to allow for a review of the future of television that had been announced in October 2024,⁷ which would enable the future of the tax to be considered in a broader context.

It was noted that the first step in the review would be the development of a discussion paper to support engagement with interested parties, which would be released for consultation in early 2025. Notwithstanding delay caused by caretaker conventions associated with the May 2025 Federal Election, no such paper has been issued. This has left the industry in limbo for more than 12 months with no clarity about the tax’s future beyond June 2026.

⁵ *Mid-Year Economic and Fiscal Outlook 2024–25*, 18 December 2024, page 29 – available at <https://budget.gov.au/content/myefo/index.htm>.

⁶ The Hon Michelle Rowland MP, Former Minister for Communications, ‘Supporting Australian TV and radio’, press release, 19 February 2025 – available at <https://minister.infrastructure.gov.au/rowland/media-release/supporting-australian-tv-and-radio>.

⁷ The Hon Michelle Rowland MP, Former Minister for Communications, ‘RadComms 2024 – Melbourne’ speech (**Radcomms Speech**), 24 October 2024 – available at <https://minister.infrastructure.gov.au/rowland/speech/radcomms-2024-melbourne>.

4.2 Uncertainty at a time of increasing financial pressure

This uncertainty comes at a time when broadcasters continue to face significant and increasing operational and financial pressures and need clarity.

Despite Total TV viewing numbers increasing year on year by 2.5%,⁸ and overall Australian advertising market growth of more than 5% in 2025, broadcasters experienced a 3.3% television advertising revenue decline year on year in FY25 against FY24. Pressures are even greater for regional licensees who saw a 6% year on year revenue decline.⁹

By way of example, Seven West Media reported a 26% year on year EBIT decline for FY25,¹⁰ Nine Entertainment reported modest growth off the back of the 2024 Olympics but noted that profitability was down;¹¹ and, WIN Corporation reported an \$8.6 million loss for FY25, mostly related to transmission related expenses.¹²

The Macquarie Group predicts that the Total TV market, including free-to-air television and BVOD, may be down 9% in 1H26, reporting that SMI data for free-to-air television advertising spend is down 14% year-on-year in the five months to November 2025 and with similar trends likely in December 2025.¹³

4.3 The CBT: a disguised super profits tax on an industry not earning super profits

The specific issues around CBT are urgent, overdue for consideration, and entirely distinct from broader spectrum policy questions.

The CBT is fundamentally a “super profits” tax being applied to a sector that is demonstrably not earning super profits. Until 2017, the fee for a broadcasting licence was calculated as a percentage of advertising revenue—payable regardless of profitability. This was abolished in 2017 in recognition that broadcasting was no longer an oligopoly attracting abnormal profitability.

However, when the CBT was introduced that same year, it was constructed to ensure broadcasters paid a total arbitrary amount of around \$40 million per annum to Government, applied “per transmitter”. Although sometimes referred to as a spectrum tax, the CBT has nothing to do with spectrum value. It remains what it has always been: a tax on an industry no longer generating super profits.

The CBT was introduced in 2017 as an “interim” measure and was required by legislation to be reviewed within five years. This review was never undertaken in full. Most critically, the promised

⁸ In H1 2025 (based on data from 29 December 2024 to 28 June 2025), weekly minutes viewed across broadcast TV and BVOD rose 2.5% year-on-year. See OzTam, *VOZ Total TV Viewing Report – H1 2025 – Key Insight for Broadcast TV and BVOD*, 17 September 2025 – available

⁹ Industry data audited by KPMG.

¹⁰ Seven West Media Limited, ‘Strategy delivering positive outcomes’, media release, 12 August 2025 – available at <https://sevenwestmedia.com.au/financial-results/financial-results-2025/>.

¹¹ Nine Entertainment Co. Holdings Limited, *FY25 Presentation*, 27 August 2025 – available at <https://www.nineforbrands.com.au/announcements/pdf/2188143>.

¹² Nathan Jolly, ‘Bruce Gordon’s WIN records \$8.6m loss’, *mUMBRELLA*, 4 November 2025 – available at <https://mumbrella.com.au/bruce-gordons-win-suffers-loss-two-years-905967>.

¹³ Macquarie Group research update, 15 January 2026.

review of the amount of the CBT has never been conducted, despite the tax escalating automatically with CPI each year while industry revenues decline sharply.¹⁴

4.4 The CBT disproportionately burdens regional broadcasting

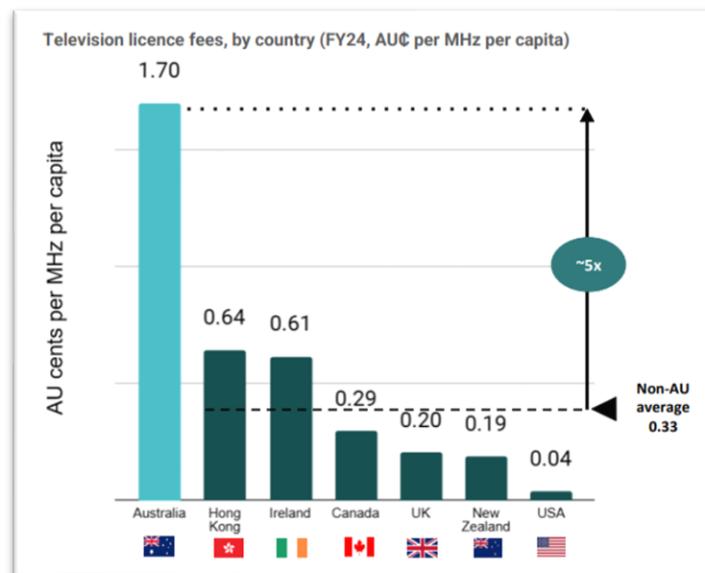
The larger number of transmitters required in regional areas means the tax falls heavily on broadcasters in regional areas. The Regional Transitional Support payment introduced via MYEFO 2023–24 failed to achieve its aim—it did not increase over time while the base CBT continued to escalate, and broadcasters operating in regional areas did not recoup inflation-adjusted CBT payments made up to 2024.

Should the tax continue, without further relief, broadcasters operating in regional areas will be progressively worse off than when the CBT was introduced.

Capital refresh costs for regional television transmitters are also a key concern—this issue is dealt with in Section 5 of this submission.

4.5 Australia has fallen drastically behind international best practice

Independent research by Venture Insights in early 2025 found that licence fees paid by Australian commercial television broadcasters are the highest in the world—over five times more per MHz per capita than the average of comparable jurisdictions.



Sources: Australia (ACMA), Canada (CRTC), USA (FCC), NZ (MBIE, BSA), UK (OFCOM), Ireland (CnM, ComReg), Hong Kong (Communications Authority). Venture Insights analysis. Includes all fees necessary for licenced broadcast operation to enable broadest comparison between jurisdictions and over time.

¹⁴ The CBT was introduced on the basis that the ACMA would undertake and finalise a review of broadcasting pricing arrangements before 30 June 2022. The scope of the ACMA’s review did not cover the quantum of the tax or what its relationship should be to spectrum valuation should be. The ACMA said the amount of tax imposed is a matter for government rather than the ACMA – see ACMA, *Commercial broadcast tax review*, consultation paper, December 2020, page 1 – available at https://www.acma.gov.au/sites/default/files/2020-12/Commercial-broadcast-tax-review_Consultation-paper.docx.

The leading international example is the United Kingdom, where the regulator Ofcom determined in March 2024 that a hypothetical new entrant would not be prepared to make financial payments as well as incur costs associated with public service broadcasting and other licence obligations.¹⁵ Ofcom set financial terms for Channel 3 and Channel 5 licences (commercial broadcasters comparable to Australian networks) at a nominal cash bid of £1,000 and 0% of qualifying revenue. Radiocommunications licences are issued for an administrative fee only.

Like their UK counterparts, Australia's commercial broadcasters provide public goods through free, universally available services, and carry material regulatory burdens including mandated Australian content quotas and closed captioning costs. Yet Australian commercial broadcasters pay tens of millions of dollars more in broadcasting tax in absolute terms, and disproportionately more on a per capita basis—a fundamental policy failure that places the sector at severe competitive disadvantage.

4.6 Unfair competition from unregulated global digital platforms

As noted in Section 3, commercial broadcasters face intense competition from global digital platforms that do not bear the same regulatory costs.

This competitive imbalance is critical because advertising is the only source of revenue licensed commercial broadcasters are permitted by law to access. Many SVOD providers, such as Netflix and Amazon, have moved into advertising as subscriber growth flattens, directly competing for advertising dollars, while not facing the regulatory obligations or tax burdens imposed on commercial broadcasters.

The commercial television sector also bears high transmission costs to ensure free services continue to be available to all Australians regardless of location or income. Importantly, while commercial broadcasters pay these transmission costs as well as the CBT linked to the transmitters they use to distribute their service, their digital-only competitors do not pay any taxes for distribution of their services on the publicly-owned National Broadband Network. Nor do they pay, in many cases, regular taxes due to the multinational financial arrangements. This creates a fundamentally unfair and unsustainable competitive environment.

4.7 The urgent need for permanent relief

Permanent removal of the CBT will help to level the playing field and provide immediate and meaningful relief consistent with the temporary suspension granted this year.

Abolition of the CBT would provide broadcasters with an opportunity to allocate resources to enhancing competitiveness, producing local content, fostering innovation, supporting regional communities, and—most critically—avoiding drastic cost-cutting measures that would inevitably impact jobs across metropolitan and regional markets, production of Australian content, and service delivery to Australian audiences.

Should permanent abolition not be immediately possible, we request at minimum a multi-year extension of the current suspension to at least 8 June 2028. Broadcasters cannot afford a return to

¹⁵ In the UK public service broadcasting obligations fall on commercial broadcasters like Free TV's members, as well as publicly-funded broadcasters.

paying tens of millions in unjustifiable taxes while facing unprecedented revenue challenges and competitive pressures.

4.8 Stark disparity in Government support for media

The Government's decision in late November 2025, to provide the ABC with \$50 million in additional taxpayer funding—coinciding with passage of legislation to introduce Australian content requirements for SVOD providers—stands in stark contrast to the ongoing burden of the CBT, which extracts almost \$50 million annually from commercial television and applies in addition to regular taxes.

The SVOD Australian content investment obligations will have a significant inflationary impact on our industry by raising production costs. This is particularly concerning given that the commercial television sector already invests \$1.625 billion every year on Australian content—more than five times the \$300 million expected to be spent under the new SVOD quota rules.

While the publicly funded ABC receives an additional \$50 million from taxpayers presumably to compensate them for the inflationary effect of the new SVOD quotas, commercial broadcasters—who deliver free services to all Australians and invest very significantly in Australian content—continue to pay almost \$50 million per year in Commercial Broadcasting Tax. This disparity raises fundamental questions about the Government's commitment to supporting a diverse and sustainable media landscape that includes commercially funded services alongside public broadcasters.

5. Urgent support is required to sustain regional television services

5.1 Regional TV viewers face an ‘unmanaged transition’

Broadcast commercial television is an essential service in regional Australia, with a city-quality choice of free TV channels offering Australian content, trusted news and access to major sporting events, as well as local advertising opportunities for regional businesses.

Australians in regional areas watch more hours of broadcast television each week than their metropolitan counterparts, with regional viewers being more likely to have watched terrestrial free-to-air television than those in metropolitan areas in a given week (53%, compared to 43%).¹⁶

While Australian audiences are increasingly watching television online, whether live or at a time of their choosing via BVOD services like 7plus, 9Now and Network Ten’s free streaming service 10, terrestrial television is not “converting to the internet”. Viewing via BVOD apps, while growing rapidly, still comprises only around 13% of all free-to-air viewing on TV screens, and any move to complete reliance on online delivery would face insuperable barriers of reliability, affordability and digital literacy.¹⁷ In Australia and overseas, broadcast television looks set to continue complementing reliable and affordable telecommunications as a key component of “digital inclusion” for the foreseeable future.

Unlike television in metropolitan areas, the capital and operational costs of digital terrestrial transmission is a massive overhead for commercial television operators in regional Australia.

To take one measure—the ratio of transmitter numbers to audience – while there are five transmitters needed for every million people in the five major capital cities, the comparable figure for the largest regional TV markets taken together, is 78 transmitters per million viewers. In smaller regional TV markets, the figure is 164 transmitters per million. At the same time, per capita advertising revenue in regional TV markets in 2024 was only 58% of the metropolitan figure.¹⁸

The cost of television transmission is rising, as digital transmitters typically installed 12–15 years ago in regional areas—when terrestrial television was converting to digital—reach their “end of life” and fall due for capital reinvestment.

Free TV members remain committed to serving Australians in both metropolitan and regional areas, and seek to avoid a situation where transmitters in some areas are switched off due to falling revenue and rising transmission costs as occurred in 2024 in relation to the closure of Mildura Digital television.¹⁹

5.2 What is needed today

The TV industry welcomes the broader conversation about the future shape of broadcast TV flagged by Government. It recognises the linkages between this long-term work and shorter-term issues such

¹⁶ ACMA, *Communications and Media in Australia series: How we watch and listen to content*, December 2024– available at <https://www.acma.gov.au/publications/2024-12/report/communications-and-media-australia-how-we-watch-and-listen-content>.

¹⁷ VOZ, *VOZ Total TV Viewing Report: H1 2025 – Key Insights for Broadcast TV and BVOD*, slide 13 – available at https://virtualoz.com.au/wp-content/uploads/2025/09/VOZ-Total-TV-Report-H1-2025_FINAL.pdf.

¹⁸ Regional commercial terrestrial television advertising revenue calculated as a proportion of metropolitan commercial terrestrial television advertising revenue in calendar year 2024. Based on industry data audited by KPMG and approximations of populations in regional and metropolitan television licence areas.

¹⁹ Further detail at <https://www.freetv.com.au/regional-tv-needs-long-term-support-not-shuffling-of-the-deckchairs/>.

as the level of funding needed to keep services in some areas on air. But while the broader conversation keeps being delayed, the need for financial assistance to maintain existing coverage is growing more pressing. With New Policy Proposal bids closing soon for FY27, two things are needed from Government now to avoid an “unmanaged transition” for TV viewers in regional Australia:

- **Commencement of the promised discussion on television’s technology future** – which will, among other things, provide a better fix on long-term TV transmitter numbers required at sites—so capital investment decisions can be made with certainty about the platform’s long-term configuration.

While there are important choices to be made about the technology used and the required transmitter numbers at sites as we plan for television broadcasting in the 2030s, there is no practical alternative to continuing to provide ubiquitous terrestrial television broadcasting into the long term.

- **Targeted financial support for transmission infrastructure** in areas where advertising revenue does not support the cost of capital refreshment at sites, or no longer justifies the operational expenditure to keep them running.

Digital transmission equipment at most commercially marginal transmission sites is due for capital refreshment if services are to keep running reliably beyond around 2028–2030. Three priority areas have been identified:

- Remote Central & Eastern Australia (28 sites)
- Regional and Remote WA (49 sites)
- ‘Blackspot’ sites along the east coast of Australia (92 sites)

In addition, consideration may be given to supporting transmission sites in certain other markets in regional New South Wales, the Northern Territory, South Australia and Tasmania, in what are known as two- and one-controller markets. These are sometimes also referred to as the “s.38A or 38B licensees”, where licences are allocated by the ACMA to existing licensees to ensure that regional audiences receive all three main television networks, where there are only one or two licence holders in the licence area.

Securing broadcast television coverage into the 2030s will require a funded program of capital refreshment, front-loaded to the years before 2030–31, together with some assistance with ongoing operational expenditure at sites the ongoing operation of which is simply not justified by advertising revenue and cannot otherwise be sustained.

6. Introduce a news production offset

6.1 Challenges facing commercial TV news production

Commercial television plays an indispensable role in contributing to Australia’s diverse news landscape, serving as a cornerstone of informed democracy and community connection across the nation. Free TV broadcasters deliver trusted, accountable, professionally produced journalism to 11.4 million Australians every week.²⁰ They broadcast 390 local television news bulletins every week, creating a vital link between citizens and the events that shape their lives.

News services involve highly skilled news gathering, production and presentation—a multi-stage 24 hour a day process depicted below.



The cost of news continues to rise, while advertising revenue is falling:

- Free TV broadcasters spent \$408 million on news and current affairs in FY24, including \$35.2 million in regional Australia—up from \$362 million in FY19;²¹ while
- over recent years, broadcasters have seen a significant decline in advertising revenue—down from \$3.7 billion in 2016 to \$3.2 billion in 2024.²²

As set out in Section 3, the sector has seen the withdrawal of Meta from News Media Bargaining Code agreements in early 2024; and the impending conclusion of Google agreements end by mid-2026. Together, there is exceptional financial pressure on a vital part of the industry.

²⁰ VOZ Total TV Seven, Nine, Ten When Watched Cumulative Reach July 2025. Average full week reach July 2025.

²¹ ACMA, *TV in Australia: Spending on commercial programs*, May 2025 – available at <https://www.acma.gov.au/commercial-tv-program-expenditure>.

²² Includes broadcast and online revenue. Source: industry data audited by KPMG.

6.2 News provides social and economic goods that should be supported by production incentives

News and current affairs programs provide a range of social goods, including the support of democratic processes, as well as skills and development of journalists who are required to critically examine civil society. Support for news and current affairs also delivers economic benefits through investment in production, and by building public confidence in society.

Production incentives such as rebates can help align the interests of businesses with the broader public interest by incentivising companies to produce public goods. Introduction of a news offset to support the production of news and current affairs in Australia is consistent with the objects listed in the *Broadcasting Services Act 1992*, including:

- promoting the availability to audiences throughout Australia of television about matters of local significance; and
- promoting the free availability to audiences throughout Australia of television coverage of events of national importance and cultural significance.²³

Policy action in this area also aligns with the statement in the Government's December 2023 News Media Assistance Program Consultation Paper that:

*Market conditions in recent years suggest that in order for news and journalism to play their role in the proper functioning of Australia's democratic systems of government and civic society, some level of government intervention in news and journalism is required.*²⁴

6.3 Design of the news and current affairs production offset

Importantly, both businesses who are paying tax and those who are in a tax loss position would be eligible for the rebate. While scheme design would need to be carefully worked through, our initial proposal is that:

- **Base rebate and loadings:** the offset be set at 30% (in line with the Producer Offset), with consideration required for appropriate loadings for news production in regional areas.
- **Eligible entities:** Eligible entities include a licensee of a commercial television broadcasting licence under section 36 or 38 of the *Broadcasting Services Act 1992*, and related companies of these licence holders provided that it is a company incorporated in Australia, or if not incorporated in Australia, a company having its central management and control in Australia or its voting power controlled by shareholders who are residents of Australia, or a foreign resident company with an ABN operating through a permanent establishment in Australia.
- **Eligible costs:** Eligible costs to be claimed under the offset would be clearly defined and are likely to include: direct costs (eg. wages); production costs (eg. studio equipment; travel; technology); a proportion of transmission costs; legal; publicity and marketing; training; digital

²³ *Broadcasting Services Act 1992*, section 3.

²⁴ Department of Infrastructure, Transport, Regional Development, Communications and the Arts, *News Media Assistance Program Consultation Paper*, December 2023, page 12 – available at <https://www.infrastructure.gov.au/departments/media/publications/consultation-paper-news-media-assistance-program-december-2023>.

transformation and innovation.

- **Administration:** The offset would be administered by the Minister for Communications through the Department of Communications, alongside other relevant agencies.

6.4 The Producer Offset – a useful precedent

The Producer Offset Scheme, which operates effectively to incentivise production of screen content in other genres, provides a relevant precedent. Combined with the PDV and Location Offsets,²⁵ the total value of Government rebates for screen production was close to \$1 billion in FY25.

The Producer Offset Scheme already provides rebates for the production of documentaries, a form of journalism, being defined under relevant guidelines as a creative treatment of actuality that is not an infotainment or lifestyle program, or a magazine-style program.

Given the documentary form of journalism is already covered by the Producer Offset, it is time to extend it to news and current affairs content which similarly deals with matters of actuality and public interest but is arguably a more critical form of journalism because it deals in an immediate way with matters of public interest and national significance.

The Producer Offset is a refundable tax offset (rebate) for producers of Australian feature films, television and other projects. It is calculated on a project's qualifying Australian production expenditure (**QAPE**), and is set at:

- 40% of an applicant's QAPE for a feature film that was produced for commercial exhibition to the public in cinemas; or
- 30% of an applicant's QAPE for an otherwise eligible project such as a program produced for television or a subscription service.

To be eligible for the Producer Offset, a project must have significant Australian content (**SAC**). To meet the SAC test, Australians will need to be the key creative contributors, responsible for the project's core origination and there will need to be significant involvement by Australians in the creative development of the project. The SAC test is a holistic one and no single element is determinative. News and current affairs programs are ineligible.

The Producer Offset has been positively received. The formal review undertaken of the Offset in 2012, *Getting down to business: the Producer Offset five years on*, found that: '[f]or the individual producers surveyed for this report, the Offset has unquestionably provided relief from the challenges involved in raising production budgets'.²⁶

The main benefit identified by producers for TV drama and documentaries was '...the ability to invest the Offset margin back into the company or into subsequent projects'.²⁷ The report also found that:

²⁵ The Location Offset is a 30% offset on qualifying Australian production expenditure (**QAPE**) designed to encourage large-budget film and television projects to film in Australia. The PDV Offset is a 30% offset on the QAPE that relates to post, digital and visual effects production for a film.

²⁶ Screen Australia, *Getting down to business: the Producer Offset five years on (Getting Down to Business)*, 2012, page 2 – available at <https://www.screenaustralia.gov.au/fact-finders/reports-and-key-issues/reports-and-discussion-papers/getting-down-to-business>.

²⁷ Getting Down to Business, page 2.

Chief among the benefits is the fact that the Offset offers producers relative certainty of payment. The Offset is automatic and uncapped, so the competitive evaluation processes in place for most direct Government support do not apply.²⁸

Similar benefits would apply to news media businesses when accessing an offset for news and current affairs production.

²⁸ Getting Down to Business, page 9.

Attachment A – Background on Free TV and its members

Free TV Australia advances the interests of our members in national policy debates, position the industry for the future in technology and innovation and highlight the important contribution commercial free TV makes to Australia’s culture and economy. We proudly represent all of Australia’s commercial free television broadcasters in metropolitan, regional and remote licence areas.



The contribution of Free TV’s members

Our members are dedicated to supporting and advancing the important contribution commercial free TV makes to Australia’s culture and economy. Free TV members provide vital local services to all Australians, available in almost 100 per cent of homes—whether they be delivered over the air to an aerial, or via free BVOD services delivered via the internet.

Free TV brings Australians together, supporting Australian culture and democracy. The commercial television industry creates these benefits by delivering content across a wide range of genres, including news and current affairs, sport, entertainment, lifestyle and Australian drama. At no cost to the public, our members provide a wide array of channels across a range of genres, as well as rich online and mobile offerings.

Commercial television networks:

- Reach 19.3 million Australians every week, including 11.4 million who watch trusted news every week, and 9.5 million who watch live and free sport each week
- Provide 25,285 hours of Australian content a year
- Spend more than \$1.625 billion on Australian content every year, dedicating over 88% of their content expenditure to local programming
- Spend more than \$400 million a year on trusted news, including on 390 local news bulletins every week across the country (plus updates and community service announcements)

A report released in September 2022 by Deloitte Access Economics, *Everybody Gets It: Revaluing the economic and social benefits of commercial television in Australia*, highlighted that in 2021, the commercial TV industry supported over 16,000 full-time equivalent jobs and contributed a total of \$2.5 billion into the local economy. Further, advertising on commercial TV contributed \$161 billion in brand value.

A strong commercial broadcasting industry delivers important public policy outcomes for all Australians and is key to a healthy local production ecosystem. This in turn sustains Australian storytelling and local voices and is critical to maintaining and developing our national identity.