



AUSTRALIA

Submission by Free TV Australia

**2024 Regional
Telecommunications
Independent Review:**

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1. Summary of submission by Free TV Australia

- Free TV Australia welcomes the opportunity to comment on the discussion paper released by the Regional Telecommunications Independent Review Committee in April 2024.
- Free TV Australia is the peak industry body for Australia’s commercial free-to-air (FTA) television broadcasters. It proudly represents all of Australia’s commercial FTA television broadcasters in metropolitan, regional and remote licence areas.
- Telecommunications and FTA broadcasting access are traditionally approached as separate issues, each with its own programs of support. The two issues are closely linked, however, with both playing complementary roles in ensuring digital connectivity to all Australians.
- Broadcast TV is free, reliable and easy to use, and provides accountable news and information programs that audiences can trust and that are essential to informed civic participation.
- While access to streamed television services is a key use of the Internet, FTA TV services, broadcast terrestrially or via satellite, remain critical to remedy or mitigate some of the most intractable shortcomings of the Internet as a means for universal digital inclusion.
- The enduring shortcomings of the Internet as a universal medium relate to availability, affordability, reliability, and the digital skills of users. When the alternative of FTA TV is no longer available, the groups most likely to be adversely affected include:
 - Older people
 - People who are economically disadvantaged
 - People living with disabilities
- These cohorts are found disproportionately in regional and remote areas and include many First Nations Australians.
- While ongoing telecommunications policy initiatives remain critical to help mitigate these shortcomings, it is unrealistic to assume communities can do without linear broadcast TV, now or for the foreseeable future.
- The Committee’s remit includes consideration of changes or adjustments needed to existing government policies, to ensure they maximise the social and economic potential of regional Australia.
- Free TV calls on the Committee to move away from the ‘siloe’d’ consideration of telecommunications and broadcasting access issues. All Australians should enjoy access to adequate and reliable broadcast television as well as telecommunications. The free availability of linear broadcast TV remains a key building-block of digital connectivity, now and for the foreseeable future.
- Serious gaps in the universal availability of broadcast TV have emerged, which disproportionately affect Australians living in remote and smaller regional communities. And the situation is rapidly worsening.
- The killer combination of declining advertising revenue and rising transmission costs is putting at risk terrestrial transmission of FTA commercial TV in many communities where television is at the margins of commercial sustainability. The recent closure of Network Ten broadcasts in Mildura is a ‘canary in the coal-mine’, with further closures to come unless there is action soon from government.

- Another example of the fraying of the universal availability of FTA TV is the failure of satellite ‘direct-to-home’ (DTH) reception of FTA TV in remote First Nations communities, where in some locations almost no households have access to FTA TV.
- First Nations Australians are also disproportionately affected when self-help TV re-transmission facilities fail or are switched off, as occurred recently in Eidsvold, in Central Queensland. Obtaining an alternative source of TV may be prohibitively expensive and telecommunications is often an inadequate or unsuitable alternative.
- In response to the recent closure of an FTA commercial TV network in Mildura, the TV industry has called on Government to deliver a comprehensive four-step plan to place regional television broadcasting on a sustainable long-term footing:
 1. Immediately suspend the outdated and unjustified spectrum tax (\$46 million per annum industry-wide), that is the highest in the world, 52 times higher than the equivalent per capita charge on US broadcasters—with the objective of abolishing it completely.
 2. Review regulatory imposts on commercial television stations that do not apply to digital competitors who sell advertising against them—such as licence area restrictions and rules that limit ownership arrangements and efficient operation.
 3. Implement direct funding support for markets where services are not commercially viable. The Government has used the same principle for decades to underpin telecommunications blackspot solutions with hundreds of millions of dollars and contributions to the Universal Service Obligation (USO) and should do the same for regional broadcasting.
 4. Review recently-passed TV laws to ensure that all Australians can watch their live and free sport no matter how they get their free TV, and can find their local TV services on their current TV sets without needing to buy a new one. By stapling the digital simulcast rights to the broadcast rights, the Government would ensure regional Australia will have access to sports. Inability to acquire digital rights in future would jeopardise the business model for acquisition of broadcast rights, which means millions of Australians will miss out on access to free sports if this step is not taken.
- Step 3 is of direct relevance to the Regional Telecommunications Independent Review Committee’s work, as digital connectivity is best promoted by holistic approaches that consider broadcasting and telecommunications together.
- While Free TV does not advocate the direct transfer of current approaches to mobile blackspot funding to television transmission, more integrated approaches are needed to ensure essential communications services to all Australians. This may require some re-balancing of expenditure on extending telecommunications, to ensure that gaps in the ubiquitous availability of television coverage are also addressed.
- While telecommunications blackspot programs are typically designed to expand mobile coverage into areas where it is not currently available, assistance for television should be designed to halt and reverse the erosion of the free and ubiquitous availability of FTA television services.
- The Commonwealth has provided ongoing funding for telecommunications infrastructure operated by private business, and it is appropriate to consider a similar approach for broadcasting—in both cases, to ensure critical services are available beyond the edge of commercial sustainability.

2. Introduction

Free TV Australia is the peak industry body for Australia’s commercial FTA television broadcasters. We advance 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-to-air television makes to Australia’s culture and economy.

Free TV proudly represents all of Australia’s commercial FTA television broadcasters in metropolitan, regional and remote licence areas.



Our members are dedicated to supporting and advancing the important contribution commercial FTA television makes to Australia's culture and economy. Australia’s commercial FTA broadcasters create jobs, provide trusted local news, tell Australian stories, give Australians a voice and nurture Australian talent.

3. Discussion

3.1 Regional Australians need ongoing access to free-to-air broadcasting

Securing digital connectivity for all Australians regardless of location requires access to reliable FTA broadcasting as well as good telecommunications. Good broadcasting infrastructure plays a vital complementary role to good telecommunications infrastructure and mitigates some of its shortcomings. A comprehensive strategy for digital inclusion of Australians living in regional areas should ensure all households enjoy both forms of digital connectivity as of right.

3.1.1 Reliable access to telecommunications is not a substitute for terrestrial or satellite broadcasting

Overseas work on the prospects for Internet Protocol (IP) delivered TV completely replacing FTA digital broadcasting suggests a significant proportion of households will choose to rely on FTA TV into the foreseeable future. Households that opt to rely on FTA TV are more likely to contain older people, people from lower socio-economic groups, or people with disabilities. We expect the same pattern to emerge in Australia and it has particular relevance for regional and remote areas.

A recent study by Ernst and Young for UK infrastructure provider Arqiva predicted that 18% of all UK premises would be without high-speed broadband by as late as 2040. This was despite their prediction high-speed broadband would be available to 99% of UK households by then. The report recommended:

With policymakers now considering issues that will impact on the future of TV distribution in the UK, it is crucial that the differing needs of all consumer groups are well reflected.

Despite the roll-out commitments from government, there remains considerable ambiguity around the future take-up of high-speed broadband, as well as the preferences viewers will have for where, when and how they watch TV.

Added to this there are additional costs and complexities when receiving TV over the internet that may leave some viewers unwilling or unable to switch to IP services. This has led MPs to consider the risks of relying on broadband alone for universal TV distribution, with growing calls for policies that address these¹.

The UK communications regulator, OfCom, has been considering the long-term future of the country's digital terrestrial TV platform. While acknowledging the broader benefits of encouraging Internet connectivity for households, including its theoretical potential to serve as a complete substitute for terrestrial and satellite digital broadcasting in the distant future, OfCom in May this year identified a series of problems that would need to be overcome before IP TV could replace broadcast television. It found that:

... the group of viewers solely reliant on DTT will remain in the millions for many years to come, absent any change in current trends.... This means that, absent intervention, there will remain households who are unable to access linear TV in any other way or who choose to continue using DTT despite other options being available².

It also found that take-up levels are a bigger barrier than network availability to universal TV delivery over broadband. It identified a significant proportion of UK households that do not have Internet access in the home at all and a further group that are solely reliant on a mobile connection rather than broadband over a fixed line.

There will be many households which, even if more TV services were to start to move online, would face barriers that make them unwilling or unable to adopt broadband without support. These barriers include:

- Digital literacy and skills. Our research suggests that 20% of offline households have concerns about complexity.
- Mental or physical health conditions...;
- Affordability of broadband services or new equipment...
- Availability of sufficient quality connections...; and,
- A simple preference not to have the internet in their homes.

Consumers facing one or more of these barriers would likely need a range of support to adopt broadband. The challenges posed by different barriers are quite different – for example closing a skills gap requires a different type of support to an affordability problem³.

An exclusive focus on telecommunications, rather than on both telecommunications and broadcasting, as the essential building-block of digital connectivity, risks overlooking the actual information and communication needs of significant groups, including those who are older, who are socio-economically disadvantaged, or who are disabled. In much policy discussion, 'digital communication' has come to mean 'the Internet' (whether delivered by fixed line, fixed wireless or mobile networks), but equating the two is premature, with (digital) FTA TV continuing to provide the majority of Australians with a simpler, cheaper and more reliable alternative means of staying connected and reliably informed.

¹ TV Distribution in 2040: Why it cannot be assumed that broadband will offer a universal solution for all of the UK, Ernst and Young LLP, accessed [here](#).

² Future of TV Distribution: Early market report to Government, OfCom, 9 May 2024, at page 19, available here at [Report: Future of TV Distribution - Ofcom](#).

³ Id, page 37.

3.1.2 Availability of digital TV broadcasting provides critical resilience

FTA TV delivered terrestrially or by satellite provides a vital alternative means of communication when telecommunications services fail. Notwithstanding ongoing efforts to harden telecommunications infrastructure, internet connectivity has more potential points of failure than broadcast TV. These may be in or outside the home and householders may not be able to determine which link in the ‘chain’ has broken, hence may not know to whom to turn for help when connectivity is lost. While broadcasting is also vulnerable to certain types of disruption, it is extremely robust and can be critical to maintaining basic connectivity for isolated communities when telecommunications access fails.

Vulnerability to natural disasters in Australia increases with the remoteness of communities. Scandalously, First Nations people in some of the most remote communities on earth have inadequate access to FTA TV services owing to the failure of the satellite direct-to-home TV reception model to ensure every household can enjoy free access to broadcast TV. UHF terrestrial TV transmissions in remoter areas also commonly face the greatest risks to their medium-term sustainability going forward. Both the national and the commercial TV broadcasting sectors have obligations to work with emergency service organisations to provide critical information during natural disasters⁴, and all Australians should enjoy free availability of these services, although an increasing number currently do not.

To the many social benefits of receiving FTA TV services must be added the provision of reliable access to emergency and disaster information, and the availability of a robust alternative to the fixed and mobile telecommunications networks when disasters strike. Arguably this is important to communities in direct proportion their remoteness and the vulnerability of these remote locations to natural disasters.

3.1.3 Free-to-air TV is a trusted source of news and information

In an increasingly borderless world in which mis-information and dis-information are rife, free, universally available and locally-accountable news and current affairs programs that audiences can trust are more important now than ever. As Governments around the world grapple with ways to counter mis- and disinformation, address the risks of deep fakes, and deal with how to increase news and media literacy, they must also look at ways to ensure accountable news services remain sustainable and easy for audiences to discover.

Australia’s broadcasters remain a trusted source of news and information. Unlike social media, Australia’s national and commercial broadcasters are consistently ranked at the top of trusted sources of information and are accountable to Australians and to Australian authorities.

With respect to commercial broadcasters alone, a February 2024 report from the Australian Communications and Media Authority (ACMA), [Communications and media in Australia: How we access news](#) highlighted the enduring importance of news from commercial FTA television networks. Among other things, the research found that FTA television remains the most common main source of

⁴ Under the commercial TV industry’s Code of Practice, at item 1.15, Free TV is required to maintain an Advisory Note designed to help and encourage members of the commercial free-to-air television broadcasting industry to understand and be responsive to the broadcast of emergency information. Rules in section 130ZZB of the Broadcasting Services Act deal with the manner of emergency service announcements on commercial TV, and the conditions on commercial TV licensees, in paragraphs 7(1)(d) and (e) of Schedule 2 of the BSA, make clear that in certain circumstances the Minister or emergency services representatives can assume direct control of the content of TV broadcasts.

news, used by a quarter of Australian adults (26%—stable compared to 2022), followed by online news websites or apps (23%).

Further recent research on news consumption patterns is found in the 2023 [Television and Media survey summary report](#) from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA), released in April 2024. Among other things, the report's detailed examination of news consumption patterns showed:

- Commercial FTA is commonly used to access State or Territory news and Australian national news (p 21)
- Australian national news is the news content type that is most consumed
- The factors most commonly indicated as important when choosing news were that it was from a trusted source, recent, and professionally produced, while news shared widely online was seen as of low importance (p 76)
- Commercial free-to air is the most commonly reported source of news (58%).

A September 2022 [Report](#) by Deloitte Access Economics, *Everybody Gets It: Revaluing the economic and social benefits of commercial television in Australia*, highlighted that in 2021:

- Television was the go-to method of staying updated with the latest news or winding down with light entertainment. In an average week, over 64% of the population, or 16 million Australians, tune in linear commercial television.
- In 2021, Free TV member networks collectively broadcast a total of 1,381,272 minutes (23,000 hours) of news and current affairs that directly related to a local regional area.
- More than two-thirds (65%) of Australians said commercial television was a trusted source of news that is essential to society and democracy.
- Commercial television was chosen as the most useful news source during an election (35%).
- 75% of respondents to a survey conducted by CT Group agreed that commercial TV played an important role as an information source during times of crisis.

Households enjoying full access to FTA TV will usually have five, independent, trusted sources of news and information to choose from, each provided locally by corporations that are accountable to Australians. (In some smaller regional TV markets, programs from the Seven, Nine and Ten networks are provided by fewer than three regional TV affiliates.) Unfortunately, the increasing numbers of households living in areas that must rely solely on telecommunications do not enjoy free access to these services.

Lastly, terrestrial transmission is of particular importance to regional audiences, especially where internet access, data allowances, and speeds do not match those of metropolitan areas, or where socio-economic conditions for some audience members impact their ability to afford broadband. Television audiences in most, although not all, regional television markets are measured by Regional TAM Pty Limited, which is a joint venture comprising the five free-to-air regional commercial networks.

The April 2024 Regional TAM Audit Report⁵ shows that for surveyed networks:

- Commercial channel audiences were up slightly year on year for Survey 1 and stable for Survey 2.
- The combined commercial free-to-air audience across all regional markets for Survey 2 was 687,000 viewers.
- This represented 58% of all television viewing⁶, up from 55% last year.
- Analysis of viewing by demographic highlights an audience gain for primary channels amongst people 0–15 and 25–39. For people 65+ there was audience growth on multi-channels.
- In regional areas, 91% of commercial television viewing is carried out live via an aerial/terrestrial transmission. This is broadly consistent with the ACMA’s December 2023 How we watch and listen to content report⁷, which noted that regional audiences:
 - Are more likely than metropolitan audiences to watch terrestrially-delivered free-to-air TV (60% vs 48%).
 - Watch more terrestrially-delivered free-to-air each week (7 hours) compared with metropolitan counterparts (4.9 hours).
 - Are less likely than metropolitan counterparts to watch paid streaming services (61% vs 68%) and user-generated online video (51% vs 60%).

3.2 Government support is required so that free-to-air TV is available in areas where it is not commercially viable

When considering adequate and reliable communications for regional Australians, it may be tempting to dismiss FTA broadcasting as a ‘given’. This would be to take its availability for granted when a small but growing percentage of Australians in regional and remote areas do not have access to FTA TV, or to all FTA services. Many more are under threat of losing it.

Australia’s digital TV transmission network was designed to offer free and ubiquitous access via terrestrial or satellite transmissions to the program offerings of two national and three commercial TV networks, for the cost of a TV set and an external antenna or, in remoter areas, a satellite dish and set-top box. While most Australians continue to enjoy free access to TV wherever they live, coverage deficiencies have emerged or are emerging which fall disproportionately on remote or smaller regional centres. For simplicity, these can be grouped into three broad categories:

⁵ Regional TAM Audit Report, Surveys 1 & 2 2024, April 2024. Regional TAM Audit Report viewing commentary refers to the peak evening viewing period Sun-Sat 6pm-12mn and refers to the entire Regional TAM service footprint i.e.: Combined Aggregate markets, inclusive of all East Coast markets and Regional WA.

⁶ In this context, Total TV viewing includes commercial free-to-air, national free-to-air (ABC and SBS), subscription TV and ‘spill’ (which refers to tuning into a metropolitan television station within a regional market). It does not include including viewing via the internet.

⁷ ACMA, Communications and media in Australia: How we watch and listen to content, December 2023 – available at <https://www.acma.gov.au/publications/2023-12/report/communications-and-media-australia-how-we-watch-and-listen-content>

- The sustainability of advertiser-supported transmission of commercial TV services in regional centres at the margins of commercial viability
- The failure of satellite Direct-To-Home (DTH) reception of the Viewer Access Satellite Television (VAST) TV service in remote First Nations communities
- The closure of local council or other self-help terrestrial re-transmission sites in small regional communities

3.2.1 The sustainability of advertiser-supported transmission of commercial TV services in smaller regional communities

There are two ways that Australians living in regional and remote areas can receive FTA broadcast television services for free:

1. terrestrial transmission through remote broadcast transmission towers. The commercial TV services are funded entirely by advertising revenue; and
2. satellite transmission via the satellites owned by Optus that carry the VAST and Foxtel signals. The Federal government bears the significant cost of VAST transmission, but regional and remote commercial TV networks pay the cost of affiliation fees for network programming as well as the cost of terrestrial re-transmission of TV in many larger settlements in remote and some regional areas.

Since the completion of TV digitisation, intensifying competition for advertising revenue from ‘over-the-top’ services and the emergence of online streaming services have seen progressive declines in audience numbers and advertising revenues for commercial TV, as well as some migration of TV’s own audience away from terrestrial and satellite ‘linear’ broadcasting to broadcasting via the internet, notably via network apps. These trends have resulted in declining revenue per capita at the same time as the economics of TV transmission mean commercial broadcasters bear significant fixed costs. The changes have fallen hardest on remote and regional network affiliates of the 7, 9 and 10 networks, which also face increasing competition for viewer eyeballs from the Internet versions of the same network content they carry on terrestrial TV.

Although terrestrial transmission is an efficient way of delivering television services in high population density areas, the *per capita* costs of transmission are much greater for regional broadcasters and most onerous for remote broadcasters, requiring many towers to service a small population. Illustratively, of the approximately 650 terrestrial broadcast transmission towers in use in Australia, some 580 are in regional and remote areas. Further, approximately 124 terrestrial sites that are predominantly in remote areas receive their content input from the VAST satellite. Of these, 77 are broadcaster-funded and the remainder community or council-owned.

The recent decision by Seven West Media and WIN Television to close the Network Ten regional affiliate station in Mildura is a sign of the mounting pressure on commercial TV transmissions that are at the margins of commercial sustainability. The closure, on 30 June this year, saw Network Ten services, including 10, 10 Peach and 10 Bold, lost to Mildura residents without sufficiently fast broadband plans and devices able to run 10Play.

Also directly threatened are some of the 28 terrestrial re-transmission sites operated by the two Remote Central and Eastern Australian (‘RC&EA’) commercial licensees, Imparja Television and Southern Cross Austereo. The two broadcasters serve an enormous region, with over 400,000 inhabitants, only a fraction of whom live in significant centres where advertising revenue might be generated. If linear broadcast television is to continue operating until at least the next decade, and

probably for much longer, the remote commercial TV licensees cannot commit to keeping all 28 of their current terrestrial transmission sites operational under present funding arrangements. It is only a matter of time before services at one or more sites fail.

Other commercial TV transmission and re-transmission sites that are at risk as the *per capita* advertising revenue they generate falls include:

- Potentially, some of the 49 terrestrial re-transmission sites provided in Regional and Remote Western Australia, where the local commercial broadcasters are Seven West Media and WIN Television
- Potentially, some of the approximately 90 infill transmitters around the country provided by Regional Broadcasting Australia Holdings (RBAH), with financial contributions from ABC and SBS. RBAH represents all regional and remote commercial TV broadcasters and the RBAH infill sites serve communities with a total population of around 170,000 people.

3.2.2 Failure of satellite DTH

Satellite DTH has failed remote First Nations communities too small to have obtained terrestrial re-transmission facilities during TV digitisation. Remote commercial TV operator Imparja Television has estimated that as few as one in five households in these communities have FTA television. This has been borne out by RMIT's 2022 [Mapping the Digital Gap Project](#), which found that VAST TV was not working in most homes studied.

The failure of satellite DTH reception raises fundamental issues of social inclusion and access to real time disaster information. As many of these households also lack adequate broadband access, their inhabitants are cut off from Australia's electronic communications system, unable to obtain the disaster warnings and other critical information broadcast in real time to other Australians.

Led by Imparja Television, the commercial TV industry has argued for a reconsideration of whether terrestrial (UHF) TV re-transmission solutions might better suit many of the larger First Nations population centres where only satellite DTH is currently available. Satellite DTH has proven to be a robust solution in other communities but there is a question-mark whether it could or should be made to work in First Nations Communities that currently lack terrestrial TV re-transmissions, given its failure to date. With this caveat, Free TV strongly supports immediate and substantial government investment in remote First Nations communities currently reliant on satellite DTH, whether by installation of terrestrial re-transmission facilities, or by finding ways to make satellite DTH work, in order to secure ubiquitous reception of the FTA TV services enjoyed by most other Australians.

The problems with satellite DTH television in remote First Nations communities will be complex and expensive to remedy. Terrestrial re-transmission is the more user-friendly solution, but, depending on the details, it is potentially very expensive and may not be feasible for communities below a certain population. It will be critical to ensure ongoing support for maintenance of any technical solution, as a shortcoming of all previous initiatives to improve First Nations' access to broadcasting in remote areas has been the lack of ongoing funding for maintenance and support. This applies to both terrestrial re-transmission and satellite DTH solutions, noting that making satellite DTH work for tiny, remote First Nations communities will also be neither simple nor cheap. Ensuring FTA TV is available to all First Nations people, and not merely via an Internet connection, should be a key focus of the Regional Telecommunications Independent Review, as it is integral to securing digital connectivity.

This and other issues of particular relevance to First Nations Australians were addressed in more detail in Free TV's recent [submission](#) to the First Nations Digital Inclusion advisory Group.

3.2.3 Closure of self-help TV re-transmission sites

At the time of TV digitisation, local government and other self-help providers in some smaller regional and remote communities chose to install self-help terrestrial (UHF) TV re-transmission facilities to re-transmit the VAST service. These facilities were often installed cheaply using sub-standard equipment, have proven to be unreliable over time, and in some cases the providers are now stepping away from TV re-transmission.

A recent example is Eidsvold, in Queensland, where in 2023 the North Burnett Regional Council decided to de-commission its re-transmission facility, depriving the town's approximately 600 residents of FTA TV⁸.

DITRDCA has estimated there are some 80 other self-help re-transmission sites in remote and regional Australia.

3.3 What needs to be done

In response to the recent closure of a FTA commercial TV network in Mildura, the TV industry has called on Government to deliver a comprehensive, four-step plan to place regional television broadcasting on a sustainable long-term footing:

1. Immediately suspend the outdated and unjustified spectrum tax (\$46 million per annum industry-wide), that is the highest in the world, 52 times higher than the equivalent per capita charge on US broadcasters—with the objective of abolishing it completely.
2. Review regulatory imposts on commercial television stations that do not apply to digital competitors who sell advertising against them—such as licence area restrictions and rules that limit ownership arrangements and efficient operation.
3. Implement direct funding support for markets where services are not commercially viable. The Government has used the same principle for decades to underpin telecommunications blackspot solutions with hundreds of millions of dollars and contributions to the USO and should do the same for regional broadcasting.
4. Review recently-passed TV laws to ensure that all Australians can watch their live and free sport no matter how they get their free TV, and can find their local TV services on their current TV sets without needing to buy a new one. By stapling the digital simulcast rights to the broadcast rights, the Government would ensure regional Australia will have access to sports. Inability to acquire digital rights in future would jeopardise the business model for acquisition of broadcast rights, which means millions of Australians will miss out on access to free sports if this step is not taken.

The proposed third step is of direct relevance to the Regional Telecommunications Independent Review Committee's work. We invite the Committee to broaden its views of digital connectivity and inclusion to encompass reliable and affordable access to **both** telecommunications and FTA broadcasting services. Digital connectivity is best promoted by holistic approaches that consider broadcasting and telecommunications together.

⁸ 2021 Census information for Eidsvold, Queensland, is available [here](#).

3.3.1 Implementing direct funding support for markets where services are not commercially viable

All Australians require adequate and reliable access to both broadcasting and telecommunications services, regardless of their location. However, the market reality is that government support is required in less densely populated areas, where it is not viable for the companies offering either telecommunications or commercial broadcasting services to provide comparable services to those enjoyed by other Australians.

Historically, this need for support has been recognised for both broadcasting and telecommunications. The Commonwealth provides ongoing funding for telecommunications infrastructure operated by private business, with hundreds of millions of dollars provided through telecommunications blackspot funding programs and the USO, and with telecommunications also supplied across non-commercial National Broadband Network infrastructure. On the broadcasting side, the government's long-standing contribution to the costs of transmitting VAST recognises the limitations of the FTA, advertiser-funded television model to provide adequate television services to Australians in remote or sparsely populated areas.

While broadcasting and telecommunications face common issues around the economics of delivering adequate and reliable communications, governments have historically dealt with them separately. Thus, government continues to fund expansion of mobile telecommunications, while serious deficiencies and gaps in FTA broadcasting coverage are emerging, which better access to the internet alone will not remedy.

As noted earlier in this submission, terrestrial broadcast transmission (especially in regional areas) will remain essential to Australians for the foreseeable future and serves an important public purpose. However, broadcast revenues are in structural decline while broadcast transmission costs continue to escalate. As television transmitters at the margins of commercial viability are ceasing to be economically sustainable, Government policy has failed to keep up.

While Free TV does not advocate the direct transfer of current approaches to mobile blackspot funding to television transmission, more integrated approaches are needed to ensuring essential communications services for all Australians. This may require some re-balancing of expenditure on extending telecommunications, so current and emerging gaps in the ubiquitous availability of television coverage are addressed too.

While telecommunications blackspot programs are typically designed to expand mobile coverage into areas where it is not currently available, assistance for commercial television should be designed to halt and reverse the erosion of the free and ubiquitous availability of adequate television services. Key priority areas include:

- More systematic initiatives to address the changing economics of commercial television transmission at and beyond the margins of commercial viability.
- Bringing television services to remote First Nations communities where satellite direct-to-home television has failed.
- Safeguarding of terrestrial television transmission in communities, such as Eidsvold in Queensland, where community self-help TV services fail or are switched off.