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Taxpayers foot \$150 million handout to 'free' television

Taxpayers will foot an unconditional handout of approximately \$150 million to free-to-air television networks, tonight's budget has revealed.

The taxpayer-funded gift takes the form of cuts over four years in the annual licence fees paid by the networks.

"ASTRA is deeply disappointed the Government has chosen to add to an already large deficit by providing television proprietors with tax cuts," Australian Subscription Television & Radio Association CEO, Andrew Maiden, said today.

Mr Maiden said Australian free-to-air television licence fees reflect the value of unusually significant protections and privileges enjoyed by the major broadcasters, rendering invalid any comparison with fees paid by their international peers.

"In exchange for paying licence fees, Australian free-to-air broadcasters enjoy a legislated ban on competition, guaranteed access to broadcasting spectrum and the world's most protected market for sports broadcast rights," Mr Maiden said.

"There should be no reduction in licence fees without a corresponding reduction in the privileges and protections from competition that free-to-air television networks have amassed over decades.

"Thirty years after serious efforts began to eliminate protectionism, few industries enjoy greater structural advantages than free-to-air television, and even fewer expect corporate welfare as changing technology and consumer choices challenge their privileged position.

"Tax cuts and protections in the broadcasting sector distort the market by directing investment away from innovative technology and business models towards the oldest and least innovative form of broadcasting still in operation today," Mr Maiden said.

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About ASTRA – The Australian Subscription Television and Radio Association (ASTRA) is the peak body representing the subscription media industry in Australia. Members include television operators, independent content companies, technology companies and the industries that support them. ASTRA members produce content seen by nearly nine million Australians. In 2014/15 members invested \$796 million in local production, generating 253,000 hours of Australian content and creating jobs for 8370 Australians.