



AUSTRALIA

Submission by Free TV Australia

Paving the road for First Nations digital inclusion:

- **Long-term roadmap towards achieving Target 17 in the National agreement on Closing the Gap**

June 2024

Summary of submission from Free TV Australia

- Free TV Australia welcomes the opportunity to comment on the discussion paper released by the First Nations Digital Inclusion Advisory Group ('the Advisory Group') on 2 May 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 free-to-air television broadcasters in metropolitan, regional and remote licence areas.
- The Advisory Group's discussion paper rightly affirms the importance of First Nations broadcasting. Elsewhere, in its Initial Report, the Advisory Group has previously affirmed the importance of tackling deficiencies in the free availability of TV broadcasting to First Nations Australians living in remote areas served by satellite TV.
- Given these acknowledgements, a surprising deficiency of the present discussion paper is the treatment of digital inclusion as if it is solely about access to the Internet via telecommunications networks and services.
- This overlooks the importance of access to digital TV broadcasting as a key building-block of digital inclusion. Broadcast TV is free, reliable and easy to use, and it provides accountable news and information programs that audiences can trust and that are essential to informed civic participation.
- While access to the Internet is vital, a digital inclusion strategy must also ensure access to 'legacy' TV broadcasting, if it is to address the actual information needs of large numbers of First Nations Australians. This is especially true of those living in remote and isolated locations, or who are older, have disabilities, are economically disadvantaged or lack digital literacy skills. Children also benefit from free access to broadcast TV – what family would leave the Internet to mind their kids?
- Better telecommunications alone cannot secure digital inclusion for all First Nations Australians, now or for the foreseeable future. Mitigations such as digital literacy programs (to improve skills) and free community wi-fi (to promote telecommunications affordability) cannot make the Internet a perfect or even an adequate substitute for the loss or unavailability of free-to-air broadcasting. Rather, ubiquitous access to free-to-air broadcasting is vital to mitigate otherwise-intractable shortcomings of the Internet as a means for digital inclusion.
- It may be tempting to treat 'legacy' free-to-air TV services as a 'given'. However, serious gaps in the universal availability of broadcast TV have emerged, which disproportionately affect First Nations people. And the situation is rapidly worsening.
- The most pressing of these are the failure of satellite 'direct-to-home' (DTH) reception of free-to-air TV in remote First Nations communities, where in some cases almost everyone lacks access to free TV, and the crisis of sustainability faced by Australia's only Aboriginal-owned commercial television service, Imparja Television.

- 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. Particularly for households dependent on an Australian Government pension, obtaining an alternative source of TV is likely to be prohibitively expensive and telecommunications will often be an inadequate or unsuitable alternative.
- More generally, declining *per-capita* advertising revenue, combined with fixed or rising transmission costs, is placing at risk terrestrial transmission of free-to-air commercial TV in many communities where television is at the margins of commercial sustainability. The recent announcement that Channel Ten broadcasts in Mildura, in Victoria, will close at the end of June is a 'canary in the coal-mine', with further closures to come unless there is action soon from government.
- We invite the Advisory Group to broaden its view of digital inclusion to encompass reliable and affordable access to both telecommunications and free-to-air broadcasting services.
- Digital inclusion is best promoted by a holistic connectivity policy that considers broadcasting and telecommunications together. Broadcasting complements telecommunications and mitigates some of its shortcomings. We encourage the Advisory Group to move away from the 'siloed' consideration of broadcasting and telecommunications access and availability as if they are separate issues.
- While acknowledging that a second process, the Future of Broadcasting Working Group convened by the Department of Communications, has been charged with considering a number of broadcasting-specific issues, including deficiencies in the transmission and reception of TV to all Australians, this is no reason for the Advisory Group to restrict its focus to Internet connectivity.
- The Future of Broadcasting Working Group is led by public servants in the Department of Communications (DTRDCA). It has neither the status and independence from government accorded to the Advisory Group, nor is it exclusively concerned with First Nations issues. Free TV strongly encourages the Advisory Group to take a more active interest in its work on issues relevant to First Nations digital inclusion.
- Restoration of TV services to remote First Nations communities served by satellite direct-to-home TV should be seen as a top priority for government funding. While Free TV supports recommendations 1.9 and 1.10 in the Advisory Group's Initial Report, there are risks in simply leaving the issue to the Future of Broadcasting Working Group. Both recommendations raise complex issues and choices. Both are potentially expensive and challenging to do well. By any measure, the spectacle of communities without basic TV services represents an extraordinary failure of digital inclusion, which better internet access can only partially remediate.
- Government help will also be needed to ensure First Nations Australians in small regional communities, such as Eidsvold, are able to regain access to free TV services when council or community self-help re-transmissions are discontinued.
- Lastly, there is a pressing need for government intervention to ensure continuation of remote and smaller regional commercial TV re-transmissions, such as the 28 terrestrial TV sites

operated by Imparja Television and Southern Cross Austereo in Remote Central and Eastern Australia (RC&EA), to ensure free access to basic broadcasting services is not lost.

- The above are short-term measures, but two long-term measures could largely or entirely address the risks to re-transmission of commercial TV in remote and smaller regional communities.
- The first would be to review and reduce or scrap the current spectrum licence charge commercial broadcasters pay for radiofrequency spectrum used to provide an essential service.
- The second would see government more generally taking a 'holistic' view of digital blackspot funding, where investment in extending reliable telecommunications beyond the boundaries of commercial viability is complemented by maintenance or extension of legacy digital broadcasting transmissions beyond the capability of the existing, advertiser-supported funding model to sustain them.
- As part of taking a more holistic view, this submission also touches on the future of the Viewer Access Satellite TV (VAST) service and longer-term policy for NBN broadband provision in the most remote areas. This is an issue about which we would be happy to provide further information on request.

2. INTRODUCTION

Free TV Australia is the peak industry body for Australia's commercial free-to-air 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 free-to-air television broadcasters in metropolitan, regional and remote licence areas.



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

3. DISCUSSION

3.1 Digital inclusion requires reliable access to free-to-air broadcasting as well as telecommunications

While the 1 May discussion paper warmly affirms the importance of First Nations broadcasting to digital inclusion, whether these broadcasting services are available for reception by First Nations households is ignored in favour of an exclusive focus on improving access to telecommunications and the Internet. For example:

- The Advisory Group's analysis of digital inclusion, at pp.3-4, focusses exclusively on access to the Internet via telecommunications. The importance of free, reliable distribution of digital news, information and entertainment via satellite or terrestrial TV is ignored or taken for granted.
- The discussion of government investment in communications infrastructure in remote communities, and the commentary on the review of the universal service obligation, focus solely on telecommunications infrastructure, rather than on ensuring an adequate level of both broadcasting and telecommunications connectivity for households. However, the practical reality is that availability of telecommunications cannot entirely substitute for the absence of free-to-air broadcasting, and is unlikely to do so for many years.
- The discussion of affordability, at pages 6-8, is solely concerned with telecommunications, as Australian free-to-air TV can be enjoyed for the cost of a TV and an antenna or dish. Ensuring free-to-air broadcasting is available will remain a key mitigation for the challenge of telecommunications affordability into the foreseeable future.
- The discussion of digital ability at pages 8-9 focuses on digital literacy issues of the type posed by the Internet. However, it is doubtful whether access to Internet services can ever be made as simple as turning on the TV. The free availability of trusted, professionally-produced content

on broadcast digital television mitigates the problem that many adults, and not to mention children, won't be able to acquire 'digital literacy' sufficient to find wanted content or to avoid unwanted or undesirable content and scams.

- The section of the paper dealing with Media and Broadcasting focusses on important issues around First Nations media organisations, while ignoring the availability of free-to-air broadcasting to First Nations communities. Reception of NITV should not be restricted to households with fast broadband and sufficiently high levels of digital literacy (as well as the motivation) to find and stream it.
- While strongly affirming the value of First Nations community broadcasting in metropolitan, regional and remote areas, the paper is silent about Aboriginal-owned TV broadcaster Imparja Television. Although Imparja is a commercial broadcaster, it is controlled by entities that are not-for-profit. As discussed later in this submission, Imparja's once-considerable contribution to local TV production has been lost over the past decade due to current arrangements to distribute commercial television services to Australians living in remote areas, which are commercially unsustainable.

For reasons explored below, securing 'digital inclusion' for all First Nations Australians will require access to reliable free-to-air 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 should ensure all First Nations Australian households enjoy both forms of digital connectivity as of right.

3.2 Reliable telecommunications is not a substitute for terrestrial or satellite broadcasting

3.2.1 Many First Nations households will never obtain sufficiently fast, reliable broadband to enable reliable access to free-to-air broadcasting

While the Discussion Paper focuses on the *supply* of better telecommunications infrastructure, the larger problem with broadband as a substitute for broadcasting is *demand*, or the likely uptake of fast broadband.

Though not specific to First Nations households, overseas work on the prospects for Internet Protocol (IP) delivered TV completely replacing free-to-air broadcasting suggests a significant proportion of households will choose to rely on free-to-air broadcast media into the foreseeable future. Households that opt to rely on broadcasting 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.

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 options for replacing the country's current digital terrestrial TV platform. While acknowledging the broader benefits of encouraging Internet connectivity for households, including its 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 many First Nations people, especially those who are older, who are socio-economically disadvantaged, or who are disabled. In some policy discussions, 'digital communication' has come to mean 'the Internet,' but equating the two is premature, with (digital) TV continuing to provide the majority of Australians with a robust 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.

3.2.2 Availability of digital broadcasting as well as good telecommunications provides critical resilience

Broadcast 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. First Nations people in some of the most remote communities on earth have inadequate access to free-to-air TV services owing to the failure of the satellite direct-to-home transmission 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 disasters, and all First Nations Australians should enjoy free availability of these services, although many currently do not.

To the many social benefits of receiving free-to-air 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 First Nations communities in direct proportion their remoteness and the vulnerability of these remote locations to natural disasters.

3.2.3 Broadcasting 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 free-to-air television networks. Among other things, the research found that free-to-air television remains the most common main source of 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 free-to-air 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: Revaluating 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 free-to-air access to the local versions of the 5 Australian networks available in all Australian TV markets (consisting of three commercial TV networks plus the national broadcasters ABC and SBS) will have five, independent, trusted sources of news and information to choose from, each provided locally by corporations that are accountable to Australians. The NITV service is available via the SBS network and, and in Remote Central and Eastern Australia, the Channel Nine affiliate service is Aboriginal-owned Imparja Television. Unfortunately, the increasing numbers of First Nations households living in areas that must rely solely on telecommunications do not enjoy free access to these services.

3.3 Free availability of broadcast television is deficient or under threat

When defining 'digital inclusion,' it may be tempting to dismiss free-to-air broadcasting as a 'given'. This would be to take its availability for granted, when in fact many First Nations Australians do not have access to free-to-air TV. 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 satellite dish. While most Australians continue to enjoy free access to TV wherever they live, coverage deficiencies have emerged or are emerging which fall disproportionately on First Nations communities in remote or smaller regional centres. For simplicity, these can be grouped into three broad categories:

- The failure of satellite Direct-To-Home (DTH) reception of the 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
- The sustainability of advertiser-supported transmission of commercial TV services in small regional communities at the margins of commercial viability

3.3.1 Failure of satellite DTH

The Advisory Group, in its Initial Report, has already recognised the problems with VAST DTH experienced by small First Nations communities in remote areas, with its recommendations at 1.9 and 1.10 of the Initial Report. These call for government consideration of a maintenance and upgrade program for VAST DTH and for funding for a trial of rebroadcasting technology as an alternative to VAST.

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 free-to-air 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 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.

Since 2023, Free TV and other TV industry bodies have been working with the Department of Communications (DTRDCA) under the auspices of the Future of Broadcasting Working Group, to develop options for addressing the failure of satellite DTH in remote First Nations communities. For the reasons given at 3.2 of this submission, an exclusive focus on improved telecommunications and Internet access is not an effective substitute for a balanced approach to 'digital inclusion' that recognises the critical complementary role reception of Free TV plays in ensuring digital connectivity.

Led by Imparja Television, the commercial TV industry and some other parts of industry have 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 many 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 free-to-air 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 affordable for communities below a certain population. The Advisory Group was right to call for ongoing support for maintenance of any technical solution, as a shortcoming of previous initiatives to improve First Nations' access to broadcasting 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 free-to-air TV is available to all First Nations people, and not merely via an Internet connection, should be a key focus of the Closing the Gap process as it is integral to securing digital inclusion. To the extent the problems with VAST DTH services to First Nations communities are now under consideration by the Department of Communications (DTRDCA), the Advisory Group should take a close, continuing interest in progress and any options identified for addressing the challenges.

3.3.2 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. First Nations people comprise a significant minority of Eidsvold's approximately 600 residents, as will be the case in many other communities served by self-help re-transmission⁴.

DITRDCA has estimated there are some 80 other self-help re-transmissions sites in remote and regional Australia, and their future operation affects the digital inclusion of all First Nations Australians living there.

3.3.3 The sustainability of advertiser-supported transmission of commercial TV services in small 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 two 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 large numbers of 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

⁴ 2021 Census information for Eidsvold, Queensland, is available [here](#).

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 broadcasting video on demand (BVOD) 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 TEN regional affiliate station in Mildura, with effect from 30 June this year, is a sign of the mounting pressure on commercial TV transmissions that are at the margins of commercial sustainability. The closure will see TEN network services, including 10, 10 Peach and 10 Bold, lost to Mildura residents without sufficiently fast broadband plans and devices able to run 10Play. The changes will affect the approximately 3,000 First Nations Australians in the Mildura licence area.

Also directly threatened are some of the 28 terrestrial re-transmission sites operated by the two Remote Central and Eastern Australian ('RC&EA') commercial licences, 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. The largest towns are:

- Alice Springs (est. pop. 26,530)
- Mt Isa (est. pop. 19,299)
- Katherine (est. pop. 9,643)

The average size of communities with terrestrial TV re-transmissions is closer to 4,000 people and an estimated 128,000 people in total (2022 figure) are served terrestrially, a large percentage of whom are First Nations Australians.

Imparja TV is also unique in being an Aboriginal-owned commercial broadcaster. As it operates only in the RC&EA licence areas, it has no capacity to cross-subsidise its operations from larger TV markets. Since the inception of VAST, the combination of high and increasing costs and dwindling advertising revenue has stripped Imparja of any capacity to produce TV programs locally for First Nations audiences. Declining revenues now threaten the maintenance of the 28 terrestrial transmitters that deliver VHF and UHF commercial TV services. There is a rising risk of failure at a transmission sites, as broadcasters continue to employ stop-gap measures to keep services on air. If linear broadcast television is to continue operating until at least the next decade, and probably for much longer, Imparja and fellow remote commercial TV broadcaster Southern Cross Austereo (SCA) cannot commit to keeping all 28 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 200,000 people.

3.4 What needs to be done

Widening 'digital inclusion' to recognise broadcasting

For the reasons given at 3.1 and 3.2, we are hopeful the Advisory Group will recognise that universal access to free (digital) TV broadcasting is a key component of digital inclusion, for which access to reliable telecommunications and the Internet cannot wholly substitute.

Any government expenditure to improve digital connectivity and secure 'digital inclusion' should have as its goals reliable access to adequate broadcasting as well as telecommunications services. This may require some conscious balancing of expenditure between telecommunications and broadcasting 'black spot' solutions, rather than their continuing treatment as separate issues.

Addressing the failure of satellite DTH in remote First Nations communities

Please refer to our comments at 3.3.1, above.

Direct government assistance where other communities lose access to free-to-air broadcasting

For First Nations Australians in areas threatened by loss of free-to-air TV, as occurred recently in Eidsvold, Free TV supports government investment to restore the availability of TV, whether by installation or repair of adequate and reliable terrestrial TV transmissions, or by consideration of direct assistance with the high up-front cost of installing satellite DTH.

Free TV and other TV industry bodies have also been working with DITRDCA on options for addressing audience needs in these areas going forward. However, for the purposes of achieving Target 17 in the National Agreement on Closing the Gap, we would draw the following to the Advisory Group's attention:

- It is likely any First Nations households that were reliant on an Australian Government pension in areas served by council or other self-help TV re-transmission sites would have elected to continue watching terrestrial (UHF) TV via a rooftop or 'rabbits-ears' antenna and foregone the opportunity to obtain free installation of satellite DTH TV when this was on offer during TV digitisation.
- First Nations households that lose access to self-help re-transmission services, such as those living in Eidsvold, must rely on the inadequate substitute of telecommunications or face

expensive choices to regain reception of the free-to-air TV offering other Australians take for granted.

- The cost of installation of VAST DTH was estimated at \$850 per household in 2021, and this amount, or more, could easily be spent trying to secure reception of very distant terrestrial TV transmissions with the help of a TV antenna installer.
- The simplest fix for households, which is restoring or upgrading local terrestrial TV coverage, would require substantial government funding, including ongoing maintenance and operational costs.
- If it is not cost-effective to restore terrestrial TV coverage, First Nations households where people are in receipt of an Australian Government pension should be eligible for help with installation of satellite DTH, as was offered during TV digitisation. As the failure of satellite DTH in remote First Nations communities has shown, however, satellite DTH should not be approached as a 'set and forget' solution but may require the ongoing availability of maintenance and repair, and other measures as necessary to ensure it works for First Nations households.
- The costs of these and other potential interventions, and the technical choices potentially facing communities, are the subject of ongoing work led by DITRDCA under the auspices of the Future of Broadcasting Working Group.
- We call on the Advisory Group to recognise the relevance of this work to the achievement of Target 17.

Turning to at-risk terrestrial transmissions provided by remote and regional commercial TV broadcasters, long-term measures are needed to improve the sustainability of commercial TV in the face of declines in per capita advertising revenues. These are discussed below. In the short-term, Free TV supports the efforts of RC&EA commercial broadcasters Imparja Television and SCA to secure greater support for current terrestrial TV transmissions at 28 sites. These arguments are currently being pursued in the context of fresh agreements to support the VAST Service.

Similarly, the imminent closure of Network Ten transmissions in Mildura serves as a 'canary in the coalmine' for other commercial TV transmitters at the margins of commercial sustainability. While recognising government's direct funding role was previously limited to satellite transmission of TV, the decline in per-capita advertising revenue since TV digitisation compels a re-think of the respective roles of government and advertiser-supported private media in ensuring ubiquitous access to TV at the margins of commercial sustainability.

Addressing the longer-term sustainability of free-to-air commercial TV in remote and regional areas

Longer-term changes are needed to secure ongoing availability of free-to-air TV in remote areas and smaller regional centres where it is most at risk.

Chief among these would be for the Federal Government or its communications regulator, the ACMA, to conduct the previously-promised review of the current high spectrum access charges paid by commercial broadcasters to transmit free-to-air TV using VHF and UHF spectrum.

In 2017, the Government introduced a \$43 million annual commercial broadcasting spectrum tax as

part of a package of media reform measures. The tax was to be temporary, applying only until 2022 before a review of the tax was required to be undertaken by the Australian Communications and Media Authority (ACMA). However, the ACMA's review of the tax only included a review of the charging mechanism and explicitly did not review the level of the tax itself.

Regional broadcasters were disproportionately adversely affected by the new spectrum tax in 2017. To ensure that these changes did not make regional networks worse off, transitional support payments were legislated to offset the worst impacts of the new tax. The transitional payments were originally due to expire in 2022, timed to coincide with the review of the spectrum tax. In the absence of the promised review, the temporary support arrangements have been extended in subsequent Federal budgets.

Urgent action is required to reduce or abolish the level of the spectrum tax in line with international best practice. If the tax remains at any material level, the regional support payments must be made permanent. Work undertaken by Venture Consulting has revealed that the spectrum tax is 52 times higher than equivalent per capita charges in the USA. As a result of the restrictions on the use of broadcast spectrum and the difficulties in estimating the positive externalities associated with the provision of public good free-to-air services, applying a spectrum price for broadcasting based on the costs of managing the spectrum is the most common approach used globally. Work undertaken by consultant economists CEG concluded that they had:

“not identified any jurisdiction with a comparable free-to-air broadcasting sector and content obligations, which charges for spectrum beyond fees for spectrum management.”

Consistent with international approaches, the aggregate amount of any tax levied should not exceed the ACMA's costs of managing the spectrum allocated to broadcasting.

More information on the commercial broadcasting spectrum charge can be found in this [Free TV submission](#).

Tackling the short-term threats to the viability of particular TV transmitters, while continuing to levy the spectrum tax at current levels from regional and remote commercial broadcasters, risks the spectacle of governments taking money with one hand while giving it back with the other, while all the while the public interest suggests terrestrial commercial TV transmissions should continue wherever they are available today.

3.5 Specific comments on the draft road map

Specific comments against the Key Principles for the Roadmap and the questions asked in the 1 May 2024 discussion-paper are included at Attachment A to this submission.

Attachment A

Additional comments in response to questions asked in the 1 May 2024 Discussion-paper, 'First Nations Digital Inclusion roadmap.'

Key principles for the Roadmap

Comment

Free TV supports the principle of adopting technology-agnostic approaches to long-term recommendations and solutions.

This should include a recognition that technologies other than telecommunications technologies, and digital communications other than those using Internet Protocol, have very important roles to play in addressing the holistic communications needs of First Nations Australians, and in mitigating the most intractable problems and drawbacks with an exclusive reliance on telecommunications and the Internet.

What are some examples of the digital divide between metro, regional and remote areas for First Nations people?

Comment

The availability of free-to-air broadcasting as a complementary source of digital connectivity is seriously compromised for First Nations people living in remote areas. As discussed at 3.3 of our submission, satellite direct-to-home TV has failed remote First Nations communities, and many other First Nations Australians living in smaller regional and remote communities have lost their local VHF or UHF broadcasting services or face threats to the ongoing provision of those services.

How can we ensure government and industry design appropriate products and services to meet the needs of First Nations people?

Comment

Considering both the broadcasting and telecommunications needs of First Nations Australians together invites common, and complementary, approaches to future challenges with both platforms.

An example of particular relevance to the Roadmap is the likely replacement of the two NBN SkyMuster satellites at the end of the decade. This is also likely to be the earliest time-frame within which a replacement to the VAST service might be designed and rolled out, if desired (noting the platform is capable of continuing in operation for much longer if required). As the two audiences for these services substantially overlap, and as remote households ideally require reliable and affordable access to both types of digital communication, it make sense

for government, NBN, Optus, the television industry and remote consumer representatives to consider both issues together during the likely five-year period during which NBN will be actively considering whether and how to replace the ageing SkyMuster satellites.

Free TV supports long-term funding commitments to the ongoing support of VAST, as these are critical to any consideration of improvements to the platform. We would be happy to provide further information about the future options for VAST on request.

How can government and industry empower communities to navigate the financial side of getting and staying connected?

How can industry be proactive in identifying where costs are prohibitive for First Nations consumers and find solutions?

Comment

As discussed at 3.1 and 3.1 of our submission, over-reliance on good telecommunications alone to ensure digital inclusion poses a range of complex challenges, especially for First Nations Australians who are older, economically disadvantaged, disabled, or who live in remote areas.

At virtually every turn, the free availability of TV broadcasting via terrestrially or satellite should be seen as a key mitigation.

What does digital literacy look like for First Nations people and communities in 2026 and beyond?

How can we strengthen the connectivity literacy of First Nations people and communities, including raising awareness of consumer protections?

How can industry and government products and services be made more inclusive for those who have a low level of English literacy?

Comment

At 3.2.1 of our submission, we explore the issue that increasing digital literacy is not a magic bullet solution enabling 100% reliance on the Internet for digital inclusion. All First Nations Australians should enjoy reliable and affordable access to telecommunications and the opportunity to improve digital literacy skills, but should also have a right to free-to-air TV available at the click of a button.

How can government and industry support First Nations media organisations to be sustainable in the long-term?

How can First Nations media organisations be supported to skill and retain staff so that talent is not lost to other organisations?

What is working well and what could be improved in the relationship between the media and broadcasting sector and the telecommunications sector?

Comment:

The Advisory Group rightly acknowledges the importance of community broadcasting for First Nations community purposes, however, is silent about the potential for First Nations Media holding other types of licence, which may hold greater potential for the sector to be self-funding.

The particular plight of Imparja Television, Australia's only indigenous-owned commercial TV network, is addressed at 3.3.3 of our submission. The 'deal' struck with TV broadcasters in 2011, under which the government took responsibility to pay the direct costs of transmitting an expanded satellite TV offering while leaving remote commercial broadcasters responsible for network affiliation fees and terrestrial re-transmission in the largest remote communities, has seen the progressive hollowing-out of a once-vibrant cultural institution in Alice Springs, with all local TV production ceasing and the sustainability of terrestrial transmissions now under threat. The movement of all broadcasting consumption to the Internet, even if a way to do this could be found, would not save Imparja. To the contrary, as Imparja does not own the online rights to the network programs it re-transmits, migration of all TV viewing to the Internet would represent an existential threat to the network. Immediate action is needed to ensure free-to-air TV is available to all Australians, including those living in remote areas.

First Nations Broadcasting (<https://www.firstnationsbroadcasting.org/>) in Darwin and Goolari Media (<https://goolarri.com/>) in Broome also provide noteworthy alternative models to community broadcasting. We understand both organisations make use of Open Narrowcasting TV licences, which are permitted to be commercial in character, to provide First Nations free-to-air TV services. In general, TV spectrum in Australia is tightly constrained, but this is less of a problem in isolated and remote centres such as Darwin and Broome.

While First Nations media will be increasingly consumed on connected devices via the Internet, access to audiences via free-to-air broadcasting remains in many cases fundamental to their viability. This is also true for NITV, where most audiences outside of remote areas still enjoy access to the service via SBS's terrestrial and satellite TV transmissions.