



AUSTRALIA

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Free TV welcomes suspension of Commercial Broadcasting Tax – now time to permanently abolish

Free TV Australia today welcomed the suspension of the Commercial Broadcasting Tax (CBT) for one-year from June 2025 which was first announced in the Government's December 2024 Mid-Year Economic and Fiscal Outlook. This will take around \$50 million out of the cost of supplying free, trusted television services to all Australians no matter where they live, or how much they earn.

"This is an important first step to removing an outdated and unreasonable burden on commercial television broadcasters and we thank Minister Rowland for implementing this measure today. Free TV broadcasters already spend \$1.67 billion a year on Australian content for the benefit of all Australians and are subject to a raft of additional regulatory requirements that do not apply to global digital giants we compete with," said Bridget Fair, CEO of Free TV.

"This tax is nothing more than a disguised super profits tax, a hangover from the percentage of revenue licence fee first imposed on broadcasters in 1964. It is now time to permanently remove the significant handbrake on the commercial television industry that the CBT has become. It is extremely important that Government recognises real and material regulatory costs, and the value of public goods that commercial television broadcasters provide, when considering industry tax settings."

"The CBT should be permanently removed as soon as possible, and Free TV looks forward to working with the Government and all political parties to make this happen."

Background

- The 4.5% percentage of gross revenue licence fee was converted to the CBT in 2017 as part of regulatory reforms aimed at improving the financial health of Australia's free-to-air broadcasters.
- While it was positioned as an 'interim' measure for up to five years, its continued existence has created an undue financial burden on the sector.
- Although the CBT has from time to time been referred to as a spectrum tax, it has nothing to do with spectrum value and was arrived at simply as a proportion of the revenue tax it replaced.

- The CBT is a disguised super profits tax being applied to a sector that is not earning super profits and is under increased advertising competition from digital platforms.
- These digital platforms do not bear the same regulatory costs as commercial television broadcasters—especially in relation to ensuring journalism is accurate, fair and impartial; and, complying with the onerous advertising restrictions that apply to broadcasters.
- This is important because advertising is the only source of revenue licensed commercial broadcasters are permitted by law to access.
- The tax materially affects profitability of local commercial broadcasters, which is relevant to industry sustainability.

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ABOUT FREE TV AUSTRALIA

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