



MEDIA RELEASE

Anti-siphoning Scheme – Fact Sheet

How will the new anti-siphoning scheme work?

All Australians should be able to watch nationally significant sporting events on free-to-air television. The Government's reforms will provide a regulatory framework that protects the availability of sports on free-to-air television and maximises the possibility of coverage for the Australian sports-loving public. The main changes to the scheme are outlined below.

A two-tier scheme that allows greater use of multi-channels

Current scheme Free-to-air broadcasters are currently prohibited from premiering any anti-siphoning listed events on their digital multi-channels.

New scheme Free-to-air broadcasters permitted to premier regionally iconic or nationally significant events on their multi-channels.

With digital television penetration at 76 percent of households and the Government and industry transitioning to full digital switch-over, restriction on the use of digital multi-channels to premiere anti-siphoning events can be relaxed. The anti-siphoning list will be divided into two tiers (A and B).

- Tier A would list nationally iconic events such as the Melbourne Cup and the finals matches of major international and domestic competitions. These events would be required to be shown first on a free-to-air broadcaster's main channel (with concessions to allow coverage of overlapping events, or where an event overlaps with the news).
- Tier B of the list would include regionally iconic and nationally significant events (such as the round and preliminary matches of international and domestic competitions) which free-to-air broadcasters may premier on a free-to-air multi-channel.

What this will achieve: The more stringent protections for Tier A will ensure these nationally iconic events are available on analogue and digital channels everywhere, while the more flexible arrangements for Tier B will result in greater overall coverage of sporting events, particularly those that involve concurrent play, such as the Australian Open tennis.

New coverage obligations

Current scheme No requirements to show listed events.

New scheme Coverage requirements apply to Tier A and Tier B events.

The Government's reform model will, for the first time, introduce coverage requirements on free-to-air broadcasters. Tier A events must be shown live and in full. Events on Tier B must also be shown in full, and commence within four hours. Currently there are no requirements at all. The ability to delay coverage by no more than four hours provides broadcasters with the flexibility to schedule coverage to accommodate audience preferences as well as differences in time zones across the country. The Olympic Games, Commonwealth Games, golf tournaments and the Australian Open tennis will be subject to more flexible obligations of minimum daily coverage requirements reflecting the fact that these events involve multiple contests occurring simultaneously.

What this will achieve: The coverage requirements will enhance the level and quality of coverage of key sporting events on free-to-air television. Importantly, they will mandate live coverage of all marquee listed events and permit only minimal delays in coverage of regionally significant events.

Must-offer rules

Current scheme There are no requirements for the broadcast rights to anti-siphoning listed events to be used.

New scheme Must-offer requirements will mean that free-to-air broadcasters must use the rights they acquire to anti-siphoning listed events or offer those rights on to other broadcasters.

The current scheme does not prevent broadcasters from holding on to the rights to events they do not intend to televise, or intend to provide only limited coverage. The must-offer obligations will require that where a free-to-air broadcaster holds a right to an anti-siphoning listed event and will not meet the relevant coverage requirement, they must offer those rights on to other free-to-air broadcasters in advance of the commencement of the event. If no free-to-air broadcaster takes up those rights, the subscription broadcasting rights must be offered-on to pay television.

What this will achieve: The must offer obligations will ensure that the rights to anti-siphoning listed events do not go unused and that every opportunity is provided for full broadcast coverage.

Example: If a free-to-air broadcaster has the rights to all five matches in the Ashes Test series and chooses not to show one test match in full, then it must offer on the rights to that particular test match to other free-to-air broadcasters. If no other free-to-air broadcaster decides to purchase those rights, then the unused subscription rights must be offered on to pay television providers to acquire and show.

Extension to automatic delisting period

Current scheme Anti-siphoning listed events are automatically removed from the anti-siphoning list 12 weeks prior to their commencement.

New scheme The automatic delisting period will be extended to 26 weeks.

The reform model will extend the automatic delisting period from 12 to 26 weeks, providing a lead time to settle broadcaster arrangements that is consistent with the commercial realities of sports broadcasting. The Minister will retain the current power to keep an event on the list where a free-to-air broadcaster has not had a reasonable opportunity to acquire the rights to

the event. Seasonal tournaments (the AFL and NRL premierships) with complex fixtures systems will have a longer delisting period of 52 weeks.

What this will achieve: These changes will provide a greater opportunity for sports bodies and pay television broadcasters to negotiate for the rights to listed events that free-to-air broadcasters have chosen not to acquire.

Example: If the rights to the 2011 US Masters golf tournament were not acquired by a free-to-air broadcaster (but all free-to-air broadcasters had a reasonable opportunity to do so), then 26 weeks prior to the start of the 2011 event the rights for the 2011 US Masters golf would be automatically removed from the anti-siphoning list and a pay television provider would be able to negotiate with the sports rights holder to acquire the rights.

Protections from ‘siphoning-off’ events to new media providers

<i>Current scheme</i>	The scheme does not affect the acquisition of rights by new media players.
<i>New scheme</i>	Transactions concerning media rights to anti-siphoning listed events will be regulated to prevent IPTV or other online service providers from acquiring exclusive access to such events.

Under the current scheme, sporting organisations or brokers can sell exclusive broadcast rights to new media organisations. If sporting content migrates to new media, events may no longer be freely available to the general public. As a precautionary measure, the Government will legislate to provide that media rights to events specified on the anti-siphoning list cannot be acquired on an exclusive basis by IPTV or other online service providers. This wouldn't prevent Australian sporting bodies from selling supplementary or non-exclusive rights to new media entities.

What this will achieve: These measures will prevent the potential migration of key sporting events exclusively to new media.

Example: The rights to broadcast a race of the V8 Supercars Championships cannot be exclusively sold to an IPTV or online service provider. However, the rights to broadcast a race of the Championships could be sold to an IPTV or online service provider if a right to televise that race had also been sold to a free-to-air broadcaster.

Ensuring the quality of AFL and NRL games on free-to-air television

<i>Current scheme</i>	The scheme does not include any guarantees on the number or quality of games on free-to-air.
<i>New scheme</i>	Before de-listing games currently shown only on Pay TV, the Government will finalise a mechanism to protect the quality of games on free-to-air.

As is the case now, the AFL will continue to determine which games are broadcast on free to air. However, the Government will put in place a mechanism to:

- Protect the quality of games on free-to-air television, ensure that Friday and Saturday night games remain ‘blockbuster games’ in the round, and blockbusters like Anzac Day and Queen’s Birthday holiday games will remain on free-to-air television;

- Ensure that there will be at least one free-to-air game on Friday, Saturday, and Sunday in all regularly scheduled tournament rounds; and
- Ensure all South Australian and Western Australian team games will be played on free-to-air television in those states.

The Government will achieve this by regulation or an alternative mechanism agreed by stakeholders. Under any mechanism chosen, there will be sufficiently strong incentives to ensure all parties do the right thing by sports fans.

What this will achieve: Protect the quality of games shown on free-to-air

Implementation

The implementation of these reforms will require amendment to the *Broadcasting Services Act 1992*. Amending legislation will be drafted over the coming months and introduced into the Parliament as soon as possible.

Most changes to the anti-siphoning list will be implemented shortly. Changes to the listing of AFL and NRL premiership games will not be made until a mechanism to protect the quality of games on free-to-air is finalised. The details of listing of the FIFA World Cup and Socceroos World Cup qualifiers will be finalised after further consultation with stakeholders. The current list expires on December 31 2010.