

BASKETBALL AUSTRALIA RESPONSE TO REQUEST FOR SUBMISSION ON THE REVIEW OF THE ANTI-SIPHONING SCHEME

Basketball Australia (BA) is pleased to be able to submit this response to the request for submission on the review of the anti-siphoning scheme. We congratulate the DBCDE on a clear and even handed discussion paper supporting the request for submissions.

Basketball Australia believes that government regulation of sport should in general be minimised to allow for participant and spectator preferences to be communicated through market based signals. Lesser regulation also removes administrative burdens on sporting organisations and the steps being taken in this regard are to be applauded.

The aims of anti-siphoning legislation to ensure that nationally important and culturally significant sports are shown on free-to-air television are best achieved by allowing a freer market to operate. We believe the sports organisations who own the rights to these events understand the best route to commercialisation of their assets and have an incentive to ensure that culturally significant events are broadcast to all Australians. Equally we believe the organisations competing for broadcast rights are mature operators who understand the value of the events and how they should be best valued and managed for secondary commercialisation. For example, if the Melbourne Cup were to be removed from the list we believe it is unlikely that a pay TV channel would bid for the rights. We believe that the negative value accruing to the inevitable backlash from the community impacting overall subscription rights would far outweigh the one off windfall of advertising and the small sampling effect that such a move might bring.

Basketball seeks to be able to work with all broadcasters in a non-regulated way to maximise the reach and therefore value of properties such as the national teams, national professional leagues and special events. We believe our sport will only develop by growing reach (defined as increased participants and spectators) so we have an incentive to ensure that marquee events are broadcast free to air. As the netball experience has shown, however, listing events is no guarantee of the live, prime time coverage necessary to grow reach in a developing sport. Pay TV broadcasters are traditionally supporters of developing sports such as basketball. Anti-siphoning legislation discriminates against Pay TV and limits their ability to invest. For a sport supported by Pay TV this is a cause for concern. Combined with the short 12 week de-listing period that make any fall back arrangements sub-optimal anti-siphoning can form a major impediment to developing sports growing reach.

Basketball Australia is therefore in favour of the removal of anti-siphoning legislation in Australia.

Specific questions posed:

1. The purpose of the anti-siphoning scheme and its impacts

Anti-siphoning legislation aims to ensure that nationally important and culturally significant sports are shown on free-to-air television but this does not always eventuate. Anti-siphoning has the potential to impact developing sports by limiting their reach and therefore the value of their properties by allowing free to air broadcasters who may not be supporters of their sport an artificially created 'sole' bidding period where unrealistic offers (in terms of value or scheduling) can be made. The 12 week de-listing period does not allow for viable marketing of properties not taken up by free to air.

2. *The appropriateness of the events on the anti-siphoning list and their rationale for inclusion*

In the event that an anti-siphoning list is maintained, Basketball Australia believes this **list should be limited** to events that are truly:

- Multi-sport; and
- Contested by national teams; and
- Possessing a strong tradition.

Applying these criteria limits the list of events to the Olympic (Summer, Winter, Paralympics and Youth) and Commonwealth Games.

3. *The duration of the anti-siphoning list*

In the event that an anti-siphoning list is maintained, Basketball Australia believes **no longer than a five year time frame is appropriate** for two reasons

- To avoid entrenching events that may lose relevance
- To create opportunities for sports to improve their reach or funding by access to alternative broadcast arrangements.

Many strategic plans and broadcast arrangements operate to a three to five year timeframe. The pace of change in today's world has rendered planning over 10 year timeframes problematic.

4. *The appropriateness of the current automatic de-listing arrangements*

In the event that an anti-siphoning list is maintained, Basketball Australia believes **the current 12 week automatic de-listing period is too short** as it limits the ability of sports to negotiate effectively alternative broadcast arrangements. There are also negative consequences for the sponsorship and other collateral deals that are best negotiated with certainty of the broadcast regime for an event. **We propose a delisting period of 26 weeks.**

5. *Scheduling and coverage of events on the anti-siphoning list*

In the event that an anti-siphoning list is maintained, Basketball Australia believes **events must be broadcast live**. In the case of events where the live time slot is unsociable the event should be repeated at the first available prime time.

6. *The restriction on free-to-air television broadcasters being able to show an event on the anti-siphoning list exclusively on their digital multi-channels*

In the event that an anti-siphoning list is maintained, Basketball Australia believes that **the status quo should apply**. Commercial free-to-air broadcasters should continue to be prevented from being able to show all or part of a listed event if the event is not simultaneously shown, or has not already been shown, on their simulcast channel.

Given our view that listed events should be restricted to Olympic and Commonwealth Games we believe **broadcasters of listed events should not discriminate by region**. In the event that a more extensive list exists, we still believe that broadcasters of listed events should not discriminate by region. We regard this as contravening the notion of these listed events being of national significance.

7. *Coverage of sports on new media platforms*

Recent (but limited) experience of live streaming of NBL games indicates that fans will utilise new media outputs when broadcast is unavailable from other sources. BA believes that these new platforms will be complements rather than complete substitutes for more traditional viewing experiences. This effect will over time reduce further the relevance of any anti-siphoning measures.