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## **Statement from Free TV Australia on anti-siphoning and retransmission fees**

Free TV Australia today dismissed Pay TV networks' renewed calls for dismantling the **anti-siphoning rules**, which keep Australians' favourite sport free for everyone to view.

**Free TV Chairman Harold Mitchell** commented: "It's no surprise to see pay TV out there crying foul over television sporting rights. It's more of the same from an industry that is about one thing – making people pay for stuff they would otherwise get for free."

Mr Mitchell noted that 70% of Australians rely exclusively on free television for their sport, news and entertainment. They don't want to be forced to pay an average of \$100 per month to watch their favourite sporting heroes.

Nor have the current anti-siphoning rules prevented sporting codes such as the AFL, NRL and Cricket from recording record broadcasting rights deals, proof that sporting rights in Australia are in fact fully valued:

- NRL TV rights announced 21 August, 2012: \$1.025 billion (split rights between Nine and Foxtel) – 5 years.
- Cricket Australia rights reported June, 2013: \$550 million (split rights between Ten and Nine) – 5 years.
- AFL TV rights announced 11 April 2011: \$1.253 billion (split rights between Seven and Foxtel) – 5 years.

"Calls for the current framework to be replaced by a 'dual rights' scheme where free-to-air and pay rights for listed sports would be sold separately is nothing more than a pea and thimble trick that will see sports disappear from the television screens of ordinary Australians," Mr Mitchell continued.

"It is simply a fantasy to imagine that the same content can be sold to two competing platforms.

"That scheme is simply the latest strategy devised by pay TV to achieve their ultimate goal – exclusive rights to premium sporting content.

"Have sympathy for pommie Cricket fans: the real story about The Ashes in the UK is that if you want to watch it there, you have to subscribe to Sky."

### **Broadcasting regulation**

Mr Mitchell also noted that Australian Free TV networks pay the highest taxes and are among the most heavily regulated broadcasters in the developed world.

“Even with the recent 50% reduction we pay seven times more in licence fees than the nearest comparable country, and we have onerous local content requirements which Pay TV escapes entirely save for the modest impost that its drama channels spend 10% of their programming budgets on Australian content,” he said.

## **Retransmission**

Mr Mitchell also pointed out that the most popular channels on Pay TV are the free-to-air’s.

Accordingly, and as US broadcast networks have argued, it is not unreasonable to expect that cable companies and other distribution platforms pay a small portion of the profits they make by reselling the broadcast services that are the most-watched channels on their systems.

“Pay TV has been allowed to build a very successful business on our shoulders,” Mr Mitchell said.

“All we ask is that we have an opportunity to negotiate the true value of what we bring to their platform.

“It’s curious that they find the concept so offensive here, when Fox and CBS have led the US charge for retransmission fees.

“The absence of a retransmission right in Australia is an outdated anomaly and we will be arguing that it should be fixed as part of the government’s general regulation review,” Mr Mitchell concluded.

**For enquiries, please contact Free TV Australia on (02) 8968 7100  
or  
Harold Mitchell, Chairman on (03) 9693 5920**

## **About Free TV Australia**

Free TV Australia is the industry body representing all of Australia's commercial free-to-air television licensees and is the public voice of the sector on a wide range of industry issues. Our members include the Nine Network, the Seven Network, Network Ten, Southern Cross Austereo, Prime Television, WIN, NBN and Imparja. Commercial free-to-air television is the most popular source of entertainment and information, reaching 13.5 million Australians every day. Free TV provides nine channels of quality programming across a range of genres, as well as rich online and mobile offerings, free to all Australian viewers. More at [www.freetv.com.au](http://www.freetv.com.au)