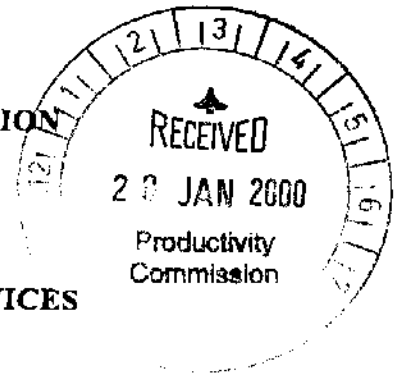


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ATHLETICS AUSTRALIA'S SUBMISSION
TO THE
PUBLIC INQUIRY INTO THE
PROVISION OF BROADCASTING SERVICES
BEING HELD BY THE
COMMONWEALTH GOVERNMENT'S PRODUCTIVITY COMMISSION



Part 1

Date of Submission: 27 January 2000

1. Athletics events do not appear on the Anti-siphoning List.
2. Athletics Australia has negotiated successfully for TV coverage of domestic athletics events for the past seven (7) years. During this time the sport has been broadcast nationally (under a license agreement) by various networks and services including ABC TV, The Nine Network, Optus Vision and Foxsports. The rights to our domestic competition are held currently by Foxsports.
3. Our agreement with Foxsports requires Foxsports to enter into a sub-license agreement with a free-to-air television broadcaster (currently The Nine Network).
4. The right to broadcast events conducted in countries other than Australia by the International Amateur Athletic Federation (IAAF) is held currently by the Seven Television Network. The events concerned are principally World Athletics Championships.
5. Traditional Athletics competitions (championship events fall into this category) are, by necessity, lengthy in duration. Without going into the reasons why this is so the inquiry will understand that broadcasting of anything other than "packaged highlights" of the traditional form of competition on free-to-air TV is fanciful. On the other hand, content hungry subscription TV services value such competitions.
6. Our domestic series of elite events, the Optus Grand Prix Athletics Series, is made up of eight (8) meets that are about 2 ½ hours in duration. Foxsports shows four (4) of these live and they are packaged for broadcast by The Nine Network as "1 hour of highlights" programs. Generally the Nine Network broadcasts these programs after Foxsports has concluded its delivery of the event. This is as a result of Nine's programming constraints.
7. The success of the programs shown by the Nine Network (measured by audience and market share) suggests there are distinctly different audiences for athletics events delivered by subscription and free-to-air TV. That is to say, the Foxsports

- audience for athletics events is different to that of the Nine Network (the latter being the wider and larger audience).
8. Athletics Australia chose to structure its most recent agreement for the sale of domestic TV rights with the (forced) requirement of sub-licensing the rights to a free-to-air TV broadcaster. This agreement was concluded in 1998. We note the structure of this agreement is consistent with the conditions imposed on subscription television licences by "anti-siphoning" provisions.
 9. Our reasoning behind "forcing" the on-selling of a sub-license to a free-to-air TV network was simply to maximise the duration and reach of our televised events (crudely speaking, to maximise our potential TV audience). It also had a positive effect on the amount of revenue generated by the sale. We acknowledge that a similar result may have been achieved if we had negotiated the subscription rights and free-to-air rights separately (but refer to the commercial in confidence information provided under separate cover).
 10. In summary:
 - Subscription TV finds the format of our sport suitable for live coverage,
 - The sale of TV rights to subscription TV providers has not deterred free-to-air broadcasters from acquiring rights to broadcast our sport,
 - We believe there are two distinct audiences for our sport – one audience is serviced by subscription TV, the other is serviced by free-to-air TV, and
 - Market forces have assisted this sport achieve more total hours of TV coverage (subscription and free-to-air), wider TV coverage and greater revenue from the sale of TV rights.
 11. Under conditions similar to those outlined in this submission, we believe that all parties interested in televised sport will benefit from a recommendation to government that neither free-to-air nor subscription broadcasters be permitted to negotiate contracts that exclude the other form of broadcasting (however such arrangements might be achieved). This would achieve parliament's objective and, in our experience, has a positive impact on sport.

ATHLETICS AUSTRALIA
27 January 2000