

**PRODUCTIVITY COMMISSION
INQUIRY INTO BROADCASTING**

**SUBMISSION FROM
WIN TELEVISION NETWORK PTY LTD**

20 December 1999

We would like to make further comment on section 8.5 of your draft report, covering audience reach and regional operators.

This subject was covered in our initial submission but was apparently not convincing in its presentation.

Basically we believe that the networks would move to 100% audience reach, if allowed, because ***it makes good business sense***.

We also believe existing local content -- *news, programming, one-off special event coverage, local community service announcements (as distinct from national CSA's), local sponsorships and local commercials* -- would slowly disappear because, in the overall scheme of running a network with national coverage, this would ***NOT make good business sense***.

You have only to look at the cost cutting and “rationalization” that is happening now within the networks with only five capital city coverage, to see what would be the outcome for Australians living in the regional areas of our country.

It is a relatively easy exercise to evaluate the savings that could be derived by dismantling the existing Australian regional television facilities and infrastructure to merely relay the capital city network signal across the country. The savings would certainly outweigh the loss of local revenue, hence my comment above that going to 100% coverage “makes good business sense”.

As Australians we must consider ***everyone*** in our country, not just those in the capital cities. It is very much the same argument as to why we have Federal Government, State Government and Local Government in Australia – it would be much less costly to have one government but the service would not be as good for individual Australians, especially those living in regional and rural areas.

Lastly, please let us not overlook or misunderstand the economic realities of running such a business. All networks are publicly listed companies and run their operations in the most cost effective manner possible so as to maximize returns to shareholders.

By moving to 100% reach, the networks would be in a much stronger position to control the advertising market by halving the number of competitive sales forces in the market place (currently 3 representing the capital city operators and 3 representing the regional operators). This may be good for productivity but is it good for Australians?

Contact: Mr John Rushton
Chief Executive Officer and
Managing Director

Phone: 02 423 4101
Fax: 02 4223 4190