

**S4C's response to the Free-to-air Events Review Consultation published by DCMS in April 2009
(the "Consultation")**

20 July 2009

1. **Introduction**

S4C is a public service broadcaster whose remit is to provide a broad range of high quality and diverse programming, a substantial proportion of which is in Welsh. S4C is the only public service broadcaster with a uniquely Welsh remit. S4C receives direct government funding by way of grant-in-aid. In addition, by statute S4C is entitled to receive at least 10 hours of programming per week from the BBC. The BBC and S4C have signed a Strategic Partnership Agreement which sets out the basis on which this programming is provided.

In responding to the Consultation, our comments are made from the perspective of a broadcaster of Welsh language programming. In order to set the context for our comments, we have outlined below S4C's sports strategy and offering and the arrangements under which we provide these. We then set out our general response to the Consultation, covering both sports and cultural events, which then leads to our replies to the specific questions raised in the Consultation.

2. **S4C's Sports Strategy and Offering**

Over the past 15 years, sports programming has played a key role in the S4C programme schedule. Sports programming makes a significant contribution to the reach and impact of the channel as a whole. As a free-to-air broadcaster, we strive to offer our audience a regular and varied menu of Welsh sport.

The sports rights market is an extremely competitive and volatile one. However, in recent years S4C has been very successful in acquiring sports rights. This has been achieved in various ways. We have developed close working relationships with governing bodies and other mainstream sports broadcasters such as the BBC, Sky Sports, ITV and (historically) Setanta Sports. We have been willing to negotiate for rights directly from the governing bodies or alternatively for sub-licences from the broadcasters who acquire the main rights.

We always look to act in the best interests of our audience. It is live and exclusive coverage that offers the best service to our viewers and gives S4C the best profile. If the fees to procure such rights are outside our budget, and if the events are still of relevance to the Welsh language audience, then we look at other options for the rights which we may acquire e.g. Welsh language only rights or highlights only.

Through our Strategic Partnership with the BBC, we are able to offer live Welsh language coverage of all of Wales' matches in the RBS Six Nations tournament as well as in the Autumn Series. These matches are also available simultaneously in English but we feel that it is important that the Welsh language audience has the opportunity to enjoy these events with Welsh language editorial content.

It is natural that, due to audience interest and demand, rugby and football should form the bulk of our sports output. We are delighted that, from the summer of 2010, we will also have the rights to domestic Welsh cricket. S4C won a tender from the England and Wales Cricket Board (ECB) to show live and highlights coverage of Glamorgan as well as the new Welsh Cup competition.

Throughout our portfolio, S4C provides a layered pattern of sports coverage, ranging from major international and national events to local sports events and related stories. This is key to any sports broadcaster's purpose and responsibility – to show the very best of a sport but also to help create a brand and outlet for other levels of the sport.

Our bid to the ECB clearly demonstrates this strategy. The ECB slogan is "From playground to Test arena" and we built our bid around this. Our cricket coverage will include five Glamorgan matches from the Twenty 20 Cup or English Premier League, which will be live and exclusive. We also have unlimited highlights to Glamorgan matches. We will also be supporting and showing the new Welsh Cup tournament for Welsh village sides with live coverage of the Finals day.

Similarly our football coverage includes exclusive highlights of all of Wales' home matches and also exclusive live and highlights coverage of the domestic Welsh Premier League and Welsh Cup. S4C plays an important role in the development of Welsh football, as our coverage has an identity and we have developed a brand.

Examples from our sport portfolio include:

- Rugby -**
- Magners League – live and exclusive matches provided in partnership with BBC Wales. A new contract was recently awarded to S4C and the BBC to run until the 2013/14 season.
 - Domestic League and Cup – in partnership with BBC Wales.
 - Rugby World Cup – rights holders to Wales’ live matches in 2003 and 2007.
 - RBS Six Nations – live Wales matches through our partnership with BBC Wales.
 - Heineken Cup – exclusive highlights from the European Rugby Cup (just extended for another 5 years).
 - Rugby World Cup Sevens 2009 (in which Wales were crowned World Champions) - highlights.
 - IRB Sevens World Series – highlights of each round.
 - The British & Irish Lions Tour – exclusive highlights of the recent tour to South Africa.
 - IRB Junior Rugby World Championships 2008 – host broadcaster in partnership with BBC Wales.
- Football -**
- Wales’ home matches – exclusive highlights.
 - Welsh Premier League – exclusive live and highlights coverage.
 - Welsh Cup - exclusive live and highlights coverage.
- Golf -**
- 2010 Ryder Cup – highlights.
 - US PGA Tour – highlights.
 - PGA European Tour – highlights.
- Motorsport -**
- World Rally Championship.
 - Intercontinental Rally Challenge.
- Athletics -**
- Main broadcaster of 2009 UK School Games in Cardiff.
 - Main broadcaster of 2009 Cardiff Half Marathon.
 - The International Snowdon Race.

Other sports include harness racing, extreme sports and sports programmes for children.

The information outlined above demonstrates S4C's strong commitment to both its public audience and to Welsh sport. We strive to provide a variety of sports content that is appropriate to the role of a public service broadcaster and which offers the best enjoyment and service to the Welsh audience.

3. **S4C's general response to the Consultation**

In light of S4C's role as a public service broadcaster of Welsh language content and in the context of our sports strategy and offering as outlined above, we now set out our general views on the matters raised in the Consultation.

Of the events currently listed as being protected, we believe the only event which has a special national resonance for Wales is the RBS Six Nations tournament when Wales is playing. S4C provides Welsh language coverage of Wales' matches in the RBS Six Nations, under our Strategic Partnership with the BBC. We believe this arrangement works well and that this event should remain on the list in view of its importance to the Welsh population.

We then considered whether any sporting events should be added to this list. We acknowledge that, as with any form of regulatory intervention, any proposal to extend the list needs to be clearly justified. In approaching this, we were conscious of the need to balance the respective needs of audiences, public service broadcasters, other commercial broadcasters and sporting bodies as the rights holders. We have addressed this balancing act within a specifically Welsh context.

From the perspective of Welsh language audiences, S4C believes that the current arrangements work very well and that S4C is able to offer a wide and attractive offering of sports coverage of particular interest to its audience. We can deliver this within our available budget through our Strategic Partnership with the BBC and through the acquisition of Welsh language rights from sporting bodies and other broadcasters. In light of this, we have questioned whether there is justification for market intervention in the form of extending the list of protected sporting events.

Wales is in a slightly different position from the rest of the UK, in that a monopoly situation could arise very quickly. S4C and the BBC are the only public service broadcasters with a significant regional remit for Wales. Channel 4 and Five have no regional commitments and HTV Wales' requirement for non-news programming has been reduced to one and a half hours a week. In most cases, therefore, the only public service broadcasters likely to bid for sporting rights of specific interest to Wales are S4C and the BBC. Sporting bodies may legitimately wish to see wider competition for their rights, especially at a time when all broadcasters are having to tighten their budgets.

In light of the current arrangements which we believe work well for S4C's audience and in view of the limited competition between broadcasters in Wales, we do not propose any changes to the sporting events on the protected list.

The Consultation also asks whether any non-sporting events should be added to the list. Wales has a number of events of major cultural or national importance. S4C recognises the importance of these events to its audience and provides significant coverage of these events in its schedule. For example, the following cultural events are significant in Wales:

- (a) **National Eisteddfod for Wales.** This is widely regarded as the main cultural event for Welsh speakers, which is a week long festival occurring each August. S4C has rights to live broadcasts and highlights of this festival provided in partnership with the BBC as part of our Strategic Partnership. We provide extended daily coverage on S4C from 10am to 6pm and additional continuous coverage of stage competitions on S4C2, our second digital channel. There are also nightly highlight programmes and coverage of evening concerts.
- (b) **Eisteddfod yr Urdd.** This is a major cultural event for children and young people occurring over a week in May/June of each year. S4C has exclusive television rights to live broadcasts and highlights and provides extended daily coverage on S4C and S4C2 plus nightly highlights programmes. The BBC holds the exclusive radio rights to the Urdd Eisteddfod and provides extensive Welsh language coverage on Radio Cymru.

- (c) **Llangollen International Musical Eisteddfod.** This is the international musical eisteddfod held in Llangollen in July each year. We have negotiated rights to live broadcasts and highlights in partnership with Rondo Media - an independent TV production company. We provide daily live programmes and nightly highlights, plus live coverage of the Choir of the World competition on the final evening.

- (d) **Royal Welsh Agricultural Show.** This is a major annual event in the Welsh calendar attended by some 230,000 people each year. We have negotiated rights from the Show to broadcast live programmes and highlights from the event. We provide live daily coverage each afternoon on our main channel plus extended coverage throughout the whole day on S4C2. We also provide nightly highlights plus additional programmes about the show in the weeks following the event.

We have considered whether these events should be added to the list of protected free-to-air events. Again, our view is that the current arrangements work well and that we are able, under our commercial arrangements, to secure extensive coverage of these events to our audiences. We do not perceive there to be a compelling need to add them to the list.

In considering whether to request the inclusion of these events on the protected list, we are mindful of the S4C Authority's Fair Trading Policy. This policy requires our public service activities to be conducted in a way that does not impede competition or create negative impact on competition. Clearly funding from broadcasters is an important source of revenue for these events, to ensure their sustainability. We are conscious that the television market for these uniquely Welsh events is small and that putting them on the protected list may impede such competition as exists.

4. **S4C's responses to the specific questions raised in the Consultation.**

Question 1. Do you think that the UK should continue to protect certain major events through live or deferred coverage on free to air television? Please give a reason for your response.

Yes. Certain events of special national resonance which attract significant viewer audiences should be available on free-to-air television, as such events should remain accessible to as wide an audience as possible.

Question 2. Do you think that events other than sporting events should be listed? If so, please give your reason. You will have an opportunity to suggest appropriate events at a later stage in this consultation document and do not need to do so now.

In assessing whether non-sporting events should be added, a balance is needed between the interests of audiences, rights holders and broadcasters.

Question 3. Do you agree that this should remain the essential criterion test? If you do not agree, please explain why and please indicate what you consider should be the essential criterion.

We agree that the current criteria should remain.

Question 4. If your answer to Q2 was that non-sporting events should also be considered for listing, what might an essential criterion be?

We have no comments to add here.

Question 5. Do you consider that these characteristics remain appropriate? If you do not, or consider that additional characteristics should be included, please explain why.

We believe that these characteristics remain appropriate.

Question 6. Are these the appropriate other factors that the Secretary of State should take into account when considering whether or not to list an event? If not, or you consider that additional factors should be taken into account, please explain why.

We believe that it is appropriate for the Secretary of State to take these other factors into account.

Question 7. Do you agree that both an A and B list should be maintained? If not, please explain why.

Yes.

Question 8. Are there any issues that you would wish to bring to our attention in regard to the way in which the listing arrangements are given practical effect by Ofcom?

No.

Question 9. Do you think that the Secretary of State should:

- *leave the current arrangements unchanged;*
- *move existing events between the A- and B- lists;*
- *add any entirely new events; or*
- *remove any events that are currently listed?*

Please give reasons for your answers.

We believe the current arrangements should be kept unchanged.

Question 10. If you have suggested that live coverage of any such tournaments should be listed do you think that:

- *the entire tournament should be listed; or*
- *only selected stages, events or matches involving national teams or representatives.*

Please give reasons for your view and, if you favour selected listing, please specify which tournaments and which stages, events or matches.

We have no comments to make here.

Question 11. Please suggest which non-sporting events you would like to see listed and why.

We do not propose adding any non-sporting events, for the reasons given in section 3 above.

Question 12. Do you have any other issues that you would like the Panel to take into account in considering what its recommendations should be?

Please see our general comments in section 3 above.

S4C

20 July 2009