



3 June 2009

Assistant Secretary, Networks Competition Branch
Department of Broadband, Communications and the Digital Economy
GPO Box 2154
Canberra ACT 2601

Dear Sirs

RE: National Broadband Network: Regulatory Reform for 21st Century Broadband

The Australian Football League (AFL) welcomes the opportunity to provide its views on regulatory reform options to facilitate the roll out of the National Broadband Network.

The AFL supports the Government's plan to deliver a next generation broadband network and understands the importance of regulatory arrangements that will facilitate its roll-out and take-up.

Chapter 3 of the Government's Discussion Paper raises concerns around the acquisition of content by a powerful telecommunications service provider seeking to exploit its market power to the detriment of competition, content providers and consumers. AFL concurs that such an exercise of market power would be unwelcome. However, care needs to be taken in addressing these hypothetical concerns given that inappropriate regulation may result in a lack of investment in content by all telecommunications providers.

Investment in AFL content by a major telecommunications provider has already delivered the AFL and its fans significantly improved product offerings on digital platforms. Digital services will continue to compliment the AFL's media product offerings on traditional channels for the foreseeable future.

Maximising the benefits of digital technology

A major continuing challenge for the AFL is to find new and innovative ways to engage and communicate with both existing and new fans on broadband and mobile platforms, and to maximise the value of our rights in doing so.

The AFL's success in meeting this challenge is underpinned by technology and content partnerships. In that regard we note that the Discussion Paper correctly points out that to enjoy the benefits of the digital revolution, a regulatory framework must nurture rather than stifle innovation and investment. Exclusive content is a value creator for media companies across all platforms and it is in an environment of exclusivity that innovation and investment are both economical and fostered.

Australian Football League



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The importance of media rights to AFL

The AFL, like other governing bodies of popular sports in Australia, is heavily dependent upon the maintenance and growth of its media rights revenue to administer and further develop its sport.

Revenue derived from the sale of media rights is the AFL's single largest source of revenue. In 2008, media rights revenues contributed 50% of AFL's total revenue. Currently the AFL licenses media rights in connection with AFL Competitions on various platforms: free to air television, subscription television, radio, internet and mobile. The AFL's current media partners are:

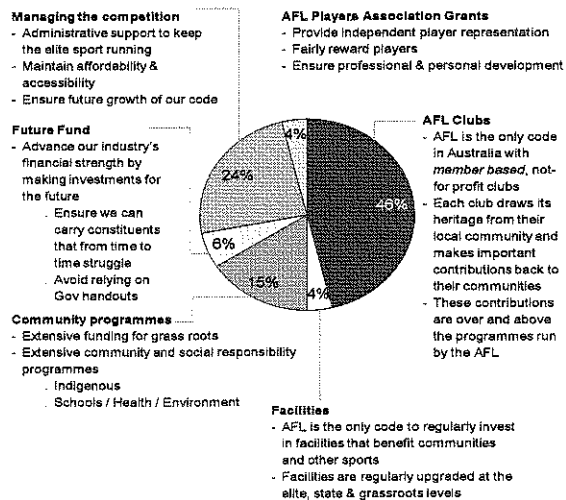
- The Seven and Ten networks for free to air television;
- Foxtel for subscription television;
- Telstra for new media, comprising internet and mobile rights; and
- Various radio stations across Australia.

All of these rights have been allocated via an open and competitive bidding process which ensures that the AFL maximises the value of its rights and achieves optimal outcomes for its fans and stakeholders.

Media rights revenues are a key driver of the AFL's \$1.4 billion financial strategy between 2007 and 2011. These investments are summarised below:

Est. AFL and club revenues, 2007 - 2011
AUD millions

Summary of AFL financial strategy for 2007 – 2011
Total Value = AUD 1.4 Billion

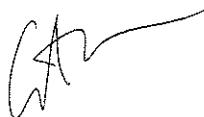


Current regulatory instruments are sufficient

Any regulation that limits the ability of potential customers, whether telecommunications providers or other platform providers, to bid for content will mean less demand, less competitive bidding and therefore less revenue. It will also hinder and deter investment in new digital products and services and thus be at odds with the Government's stated intention to nurture innovation and investment.

The AFL believes that Australia's existing general and telecommunications specific laws under the Trade Practices Act are adequate to deal with the Governments stated concerns.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Gillon McLachlan', with a long horizontal flourish extending to the right.

Gillon McLachlan
Chief Operating Officer