



**Jeremy Darroch, Chief Executive of Sky talks at a
Sport Industry Group breakfast on 9 June 2009:**

SPORT & TELEVISION: A WINNING PARTNERSHIP

Sport is a British success story, at the heart of national life

As a sports fan, it's great to have the opportunity to talk with some of the people who have made British sport what it is today: a thriving success story at the heart of national life that, I think, contributes hugely to our economy and society. It gives our children skills, experience and confidence. It generates jobs and investment. It brings communities together. And it unites the country behind our sporting heroes.

And what heroes they are. We've all watched in awe over the last year as Britain has enjoyed unprecedented success from a record medal-haul at the Beijing Olympics, including triple gold winner Chris Hoy, to Andy Murray reaching his first Grand Slam final and Lewis Hamilton – and now Jenson Button – leading the field in Formula 1. And there are many more besides.

One I took particular satisfaction from was watching our women's cricket team beat the Kiwis in the ICC World Cup final in March by four wickets with three and a half overs to spare. It was quite a game. Fingers crossed for a similarly outstanding performance from our men's team as they battle the Aussies to regain the Ashes next month...

British sport is a national success story that we should all be proud of.

The danger of rose tinted glasses

But even with so much success, people still tend to hark back to their own 'golden age' of sport.

For me, that was when I was growing up in the North East, predictably mad about Newcastle United. My memories are of legends in the making like Malcolm Macdonald – SuperMac – hitting a hat trick on his home debut against Liverpool, before being carried off. How we could have done with one of those over the last few months.

But we shouldn't allow our hearts to rule our heads. As I grew up, the bigger picture was that football in this country was in decline. Investment in facilities was sorely lacking. The stands weren't a nice place to be. And definitely not a place for families. Attendances were falling.

On screen, the picture wasn't much better. No more than a handful of football matches, from an even smaller handful of clubs, were shown live and in full on television each year.

In fact, there wasn't much live sport on TV generally. And when sport was shown, it was often treated shabbily. Of course, we all remember the historic 'Botham's Ashes' of 1981. What we may have forgotten, however, is that every single day of play was interrupted as the BBC cut away to other programmes. Like 'Chock-A-Block' a children's programme about a large yellow computer. And a documentary about 'the Skill of Lip Reading', probably not required viewing to clock the expletives leaving the lips of frustrated fans around the country, myself included.

Are we in the real golden age?

Today, things couldn't be more different.

Sporting bodies and their partners, from the National Lottery to commercial sponsors, have succeeded in unlocking the value that is inherent in sport. To do so, it has taken sustained investment of cash, know-how and resource, along with considerable risk-taking.

But thanks to that investment, UK sport is now much better funded from the grassroots up to the elite. We've got better facilities, improved elite training and talent development programmes, growing attendance -particularly by families -and increasing participation.

And we're able to enjoy more sport on television. Live, in full and in better quality than ever, on free to air and pay TV, from the comfort of your sofa, or perhaps with friends in your local pub.

I am certainly proud of the part my company has played in that change.

Sky's 20 year journey in sport

We first got involved in sport 20 years ago. We did so because we saw an untapped opportunity: a public appetite that was neither understood nor satisfied by the terrestrial broadcasters. The television audience was starved of sport, and sport was starved of the oxygen that television could provide.

It seems hard to believe now, but an overseas cricket tour had never been shown live and in full right up to the end of the 1980s. We saw that gap, and our coverage of England's winter tour of the West Indies in 1990 was the beginning of a long partnership with cricket, which I'll talk more about in a moment.

Of course, Sky didn't arrive on the scene with a sophisticated or proven model. It was very much a 'by the seat of your pants' era. A new broadcasting model was being created and no-one really knew if it would work. Every decision was new, the risks were very high.

I remember the utter disbelief that greeted Sky's first Premier League contract. Looking back, of course, it seems obvious that it was the right call. But, at the time, it seemed incredible that a new business with little revenue would make that kind of investment.

But the team at Sky instinctively understood that television was underestimating the appetite of viewers, and undervaluing sport. They recognised that, instead of competition, there was at best a cosy duopoly. Instead of mutually-beneficial partnerships, there was chronic underinvestment.

The arrival of competition in the marketplace forced all broadcasters to reappraise sport: its value to the audience; the quality of their coverage; and the way they work with sports bodies. Today, the quality of coverage on free to air is better than ever, and the terrestrials show significantly more sport than they did before Sky arrived on the scene. So, as well as bringing new investment into sport, competition drove up standards right across the board. And that rising tide has lifted all boats. Everyone has benefited: the audience; the sports industry; and the broadcasters themselves.

Building long-term relationships

Sky is a subscription business. Our model is all about building long-term relationships with customers. And it's their love of sport, and their appetite for a better TV experience that keeps us investing in British sport and expanding our offering.

It's true that the Premier League was the main draw for Sky Sports in those formative years. But while many customers joined us for football, they increasingly chose to stay with us for the breadth and depth of sport that we had on offer.

Last year, we showed football every day of the year. Golf every week. Live cricket and Rugby Union every week bar one. And dozens of less mainstream sports which have rarely, if ever, been featured on TV before. This provides them with a vital opportunity to build audiences, popularity and participation. We show extensive coverage of women's and youth sport including the Solheim Cup this August and the school boy Sky Sports Victory Shield this autumn.

And all covered in a way that brings you closer to the game. Gone are the days of a single camera high up in the stands. Now we see every bead of sweat and every flick of the foot thanks to the highest production standards and a whole range of innovations, from super slo-mo to high definition. And there's more to come, like the 3D we're trialling - believe me, watching Hatton throw a punch in 3D is well worth those silly specs.

Innovation can be hit and miss of course, literally so in the case of some of our experiments. Putting a camera in the head of a golf club only induced motion sickness, before the camera smashed on impact. Suffice to say, it never quite made it to screen. Other innovations have been more successful but come with their own challenges. Take stump mics at cricket matches. From Aussie sledging and England tour songs on the pitch. To the rather different challenge one producer faced when the mic and stump went missing at Lords. Ingeniously, he used the distinctive sound coming into his headset to track it down - to the men's toilet no less.

Sport is good for Sky...but what is good for Sky is good for sport

Of course, to keep bringing customers the definitive story of British sport, we need to build collaborative, long-term partnerships with sporting bodies too. We've already invested around £10 billion in sport. It's an investment that has helped to fund the re-development of much of the nation's sporting infrastructure - including dozens of new football stadia, from Swansea to Sunderland. And it means that, today, every Super League club now plays in, or will soon be able to play in, new or redeveloped stadia.

But alongside that financial commitment, we've used airtime, promotion and production expertise to help to build the reputation of our partners' events. Super League's Grand Final, the Ryder Cup and Twenty20 cricket are all examples of events that have grown in stature with exclusively live coverage on Sky Sports. In the case of Twenty20, a quarter of a million people pass through the turnstiles every year, although only one match has ever been aired on terrestrial television.

We have a clear interest in helping to support a successful and sustainable future for UK sport. We know that the future health of sport has a direct bearing on the future of our business. It matters to our customers. And what matters to them, matters to us. That's why we're deepening our involvement in sport through a range of programmes that use the power of sport to improve people's lives. And we hope they'll encourage people to look at Sky in a new way too.

For a number of years, we've worked closely with Baroness Sue Campbell and the Youth Sports Trust to develop the Sky Sports Living for Sport programme. So far it has helped 17,000 young people deal with a variety of problems at school, ranging from a lack of confidence to disruptive behaviour. At one end of the spectrum, that included a lad called Michael from Slough, who I met earlier this year. He was having problems concentrating while at school, but Living for Sport helped him address that, and he's now on track for his GCSEs. But it also unlocked his hidden talent. Since joining the programme, Michael has been spotted by Fulham and he's now in the under-16s. Who knows, maybe he'll go on to have a professional career? At the other end of the spectrum, there are thousands of more ordinary, but no less important examples, of young people who have been able to make a positive change through Living for Sport. Each and every one of them is unique. And I take just as much satisfaction from each of their stories as I do from Michael's success.

More recently, we've embarked on a five-year partnership with British Cycling. We're working together to get the nation cycling for fun and fitness. And we're helping them to develop the next generation of elite talent to build on the record breaking success of Team GB at the Beijing Olympics.

Later this month, we'll be announcing a host of family friendly cycling events across the UK to get people back on their bikes this summer. And to provide further inspiration, we're creating a new professional road racing team, Team Sky. Under the expert leadership of Dave Brailsford, British Cycling's performance director, we hope that Team Sky will be an epic story that captures the imagination of the nation. A story that we hope will culminate in the first British winner of the Tour de France. But, at the end of the day, it isn't about winning a race, it's about inspiring a whole new generation of cyclists right across the country.

In cricket, the ECB's Coach Education Programme, which we support, has trained almost 13,000 new cricket coaches to support the sport from the elite to the grass roots. In fact, there are now over 60 grassroots coaches for every single professional cricketer in England and Wales.

A cricket case study

This is just one part of a partnership between Sky and cricket which is set to enter its third decade next year; a partnership in which we've invested over half a billion pounds in rights and production; a partnership which has brought an unprecedented level of coverage of the domestic, international and women's games.

Last year, there were 264 days of live cricket on Sky – that's over three and a half thousand hours, including 43 Test matches, 48 One-Day internationals, 61 county matches, plus women's and under-19 games. And even amateur cricket, in the shape of the Club Twenty20 finals.

That breadth and depth of coverage has helped to ensure that, today, cricket is in robust health with attendance and participation both at record highs - the latter up a quarter in each of the last two years alone.

None of this would have happened without Sky. That's not bluster. ITV and Channel 4 have made clear that they don't see cricket as part of their programming mix.

And the BBC has been ambivalent at best in its interest in cricket, preferring to invest elsewhere instead, most recently in Formula 1, of course.

So, when you hear people call for Test cricket to be put back on the list of sporting events reserved for free-to-air television, think hard about the potential consequences of restricting competition for rights, because it's that competition which has helped to unlock the potential of UK sport.

Sports bodies know best

The system of Listed Events is currently being reviewed by a panel led by David Davies. It is a tough job – and an important one. Their recommendations could have a major impact on the future of British sport.

For the record, my own firm belief is that sports bodies know best. They should be allowed to decide what is in the best interests of their sport and its future growth.

For many sports, that decision will include free to air coverage, regardless of whether they are on the list or not. The International Olympic Committee, for example, has made clear that it sees its future as free-to-air. And, after a partnership stretching back over seventy years, I don't see Wimbledon leaving the BBC any time soon.

There is no need for a major sporting event to be listed in order for it to feature on free to air television – just look to Formula 1, Six Nations rugby or Premier League highlights for proof.

In each case, the governing body has made a choice about what's right for their sport and its development. Just as they make choices in every other area of their sport, from the price of tickets, to the choice of commercial partnerships or the selection of international opponents.

We respect those choices.

But when you list an event against the wishes of the sport's governing body, you restrict their choice of partner. You undermine their ability to set the right balance across a complex set of factors, including income, exposure, depth of coverage and promotional support. And you remove open competition for rights – competition which has benefited UK sport in so many ways over the past two decades.

For those events, you turn the clock back twenty years to a world where in most cases the BBC is the only option. Where lack of competition means rights get sold for a fraction of their true value. And where sport is marginalised in the schedules or constantly disrupted because it's something shown out of sense of duty, not desire.

The people who run sport have built up their expertise over many decades. They don't deserve that. They know what they are doing and should be trusted to do it.

They don't need political interference. They just need choice, control, certainty – and competition for their rights. That is the best way to build sustainable success for British sport, in our stadia, in our parks, on screen. And it's the best way to ensure that television continues to invest in the future of British sport.

Together, we can do more, for the good of sport, the public and of television. That, to my mind, is a truly winning partnership.

And one that, whatever your sporting passions, will deliver some great television over the next 12 months, on Sky, on the BBC and elsewhere, from the Ashes and the Lions, to Wimbledon and the World Cup. Or, for me, watching Newcastle claw their way back up – as they inexorably will. It's all there on the small screen.

Thank you.