



cymomotive force (CMF) of 140V, for an open narrowcasting service. (The channel will be made available under s.34 of the *Broadcasting Services Act 1992*, for a minimum period of five years, and the provider will be determined by use of a price-based allocation system under s.106 of the *Radiocommunications Act 1992*).

6. The frequency allotment plan for the VHF FM band has been varied. Details of the variation are contained in the licence area plan.

**The ABA planning process**

The finalisation of a licence area plan completes stage three of the planning process.

The first stage was completed in September 1993 with the release of the ABA's priorities for planning services across Australia.

Stage two was completed with the publication of the frequency allotment plan, setting out the number of radio and television channels in particular areas of Australia.

**Allocation of broadcasting services bands licences**

With the exception of the capacity reserved for national broadcasters and the channel capacity made available for allocation to community broadcasters, other capacity set out in a LAP will be available for commercial licences, under a price-based allocation scheme.

Exceptions are where an existing commercial radio or television operator provides the sole service of its type in a market. Both 3MA and STV are solus operators in the Mildura market.

As the ABA has decided to make licences for two addi-

tional commercial radio services available in the area, 3MA (the existing solus radio operator) may be allocated one of these licences on request, under s.39 of the Act.

As the ABA has also decided to make one licence for an additional commercial television service available in the area, STV (the existing solus service provider) may apply to provide a second service for a limited period. The ABA can approve this (under s. 73 of the Act), if it is satisfied that another person would be unlikely to be interested in, and in a position to, operate another commercial television broadcasting service in that market.

Frequencies for new open narrowcasting licences will be made available under s. 34 of the Act, and providers will be determined by use of a price-based allocation system in conjunction with the Spectrum Management Agency.

Extension of national services is primarily funded by the Australian Government. In areas where the Government has no immediate plans to extend a national service, the ABA will consider applications for re-transmission by local communities. ☐



*Copies of the plan (which includes decisions, reasons and records of advice received) can be viewed in libraries in the Mildura/Sunraysia area, or can be obtained from the ABA on Freecall 1 800 810 241.*

The commercial television industry recorded a large increase in profits in 1993-94, reflecting increased revenue and reduced expenditure

# Large increase in profits for commercial TV

The ABA's publication, *Broadcasting Financial Results 1993-94*, released in mid-July, shows both the commercial television and radio industries reported revenue growth for the third consecutive year.

'These are positive results for both the commercial television and radio industries with television revenue and profit showing continued growth and the number of commercial radio stations returning to profit increasing for the third successive year,' said ABA Chairman, Mr Peter Webb.

**Commercial television**

The commercial television industry made a broadcasting profit of \$342.7M in 1993-94, three times the profit earned in 1992-93. Profit before interest and tax increased to \$427.0M (up from \$266.6M in 1992-93). This is the largest recorded broadcasting profit for commercial television in the history of this publication, which has been produced by the ABT/ABA since 1983-84.

Commercial television revenue increased by 5.5 per cent in 1993-94 to \$2147.3M com-

pared with the 9.5 per cent increase reported in 1992-93. Total expenditure decreased by 6.2 per cent to \$1804.5M reversing a 14.0 per cent increase in 1992-93. Interest expenses decreased by 45.3 per cent to \$84.3M. Expenditure on Australian programs fell by 9.2 per cent to \$469.9M in 1993-94. The main factor contributing to this decline appears to be expenses in the previous year associated with the Barcelona Olympic Games.

Licence fees for commercial television increased by 3.9 per cent to \$135.6M in 1993-94. These increases are associated with the increase in broadcasting revenue.

**Commercial radio**

Commercial radio profit before interest and tax decreased by 4 per cent to \$50.2M in





1993-94 (down from \$52.3M in 1992-93). Revenue increased by 6 per cent to \$482.9M in 1993-94, however, this was offset by a 9.5 per cent increase in total expenditure to \$454.3M. Broadcasting profit fell to \$28.6M in 1993-94 (\$40.7M in 1992-93), with increased interest expenses (up \$10M to \$21.6M) being the main contributing factor.

The number of profitable commercial radio services increased from 99 in 1992-93 to 107 in 1993-94 while the number of unprofitable services decreased from 56 to 52.

Licence fees for commercial radio increased by 11.1 per cent to \$9.0M in 1993-94 compared with the increase of 26.6 per cent reported in 1992-93.

Broadcasting profit for capital city services decreased to \$10.5M in 1993-94 compared to \$26.8M in 1992-93, reflecting increased interest expenses (up \$11.0M to \$18.3M). Broadcasting profit for non-metro services increased in 1993-94 (up 22.9 per cent to \$5.9M in larger cities and up 35.6 per cent to \$12.2M in other markets).

Full financial details for Australia, each state, approved markets and networks are contained in *Broadcasting Financial Results 1993-94*.

### Notes to the results

The ABA publishes the annual *Broadcasting Financial Results* to provide the public with information on the financial state of the broadcasting industry.

The results are based on annual financial returns submitted by licensees which were due by 31 December 1994 under transitional legislation associated with the *Broadcasting Services Act 1992*. These figures have not been verified by the ABA and appear as reported.

Broadcasting revenue, expenditure and profit refer to the broadcasting activities of commercial television and radio services. Non-broadcasting activities such as investments are not included in these figures.

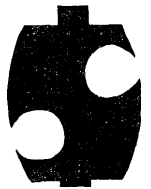
Broadcasting PBIT is profit before interest and tax relating to television and radio operations. It neutralises the effects of differences in capital structures and methods of charging interest on intra-corporate loans by adding back interest expenses to broadcasting profit and ignoring tax paid.

Figures in these tables are expressed in current dollars. The figures are rounded to the nearest one hundred thousand dollar and percentages and percentage changes have been calculated using these rounded figures. ☐

*Broadcasting Financial Results 1993-94, RRP \$60. Financial tables are also available on diskette (RRP \$40). Both prices include postage. Books and diskettes may be ordered from the ABA, PO Box Q500, Queen Victoria Building, NSW, 2000 (fax: (02) 334 7799).*

## COMMERCIAL TELEVISION RESULTS

### Australia



	1992-93 \$m.	1993-94 \$m.	Annual % Growth 93-94
<b>Revenue</b>			
Advertising revenue	1868.4	1951.7	4.5
<b>Total broadcasting</b>	<b>2035.8</b>	<b>2147.3</b>	<b>5.5</b>
<b>Expenditure</b>			
Australian programs broadcast	517.5	469.9	(9.2)
Foreign programs broadcast	183.2	184.1	0.5
Salaries, wages & employee on costs	336.5	345.9	2.8
Interest	154.0	84.3	(45.3)
Other	732.0	720.3	(1.6)
<b>Total expenditure</b>	<b>1923.2</b>	<b>1804.5</b>	<b>(6.2)</b>
<b>Profitability</b>			
Broadcasting PBIT	266.6	427.0	60.2
Broadcasting profit	112.6	342.7	204.4
Number of services in profit	34	38	-
Number of services in loss	10	6	-

## COMMERCIAL RADIO RESULTS

### Australia

	1992-93 \$m.	1993-94 \$m.	Annual % Growth 93-94
<b>Revenue</b>			
Advertising revenue	427.3	450.4	5.4
<b>Total broadcasting</b>	<b>455.6</b>	<b>482.9</b>	<b>6.0</b>
<b>Expenditure</b>			
Salaries, wages & employee on costs	155.5	163.9	5.4
Interest	11.6	21.6	86.2
Other	247.9	269.0	8.5
<b>Total expenditure</b>	<b>415.0</b>	<b>454.3</b>	<b>9.5</b>
<b>Profitability</b>			
Broadcasting PBIT	52.3	50.2	(4.0)
Broadcasting profit	40.7	28.6	(29.7)
Number in profit	99	107	-
Number in loss	56	52	-

Notes: PBIT - profit before interest and tax.

Figures in brackets indicate decline. ☐

