



# ABA finds CanWest is not in control of Ten

CanWest Global Communications Corporation is not in a position to exercise control of the Ten Network, the ABA has found.

The *Broadcasting Services Act 1992* says a foreign person must not be in a position to exercise control of, or have company interests exceeding 15 per cent in, a commercial television broadcasting licence.

'Having considered the evidence, we have found CanWest is not and has not been in a position to exercise control of Ten,' said Mr Peter Webb, ABA Chairman.

'We have actively monitored Ten since its sale to the present shareholders in late 1992'.

'Since a statement by former Ten General Manager of Network Programming, Mr Mike Lattin, became public in late 1994, we have also undertaken an exhaustive investigation of Ten's operations and of how key decisions are made'.

'We are satisfied that the board of directors of Ten are in control of the network and that they have never surrendered control to any other person or group'.

The Ten board has 11 directors, nine of whom are Australian including the Chairman. The Australian directors continue to play an active role in

fer voting rights at board level and at general meetings.

Mr Webb said amendments to the Act currently before Parliament are designed to

'Our investigation, particularly in the past year, has been comprehensive. We have examined approximately fifteen thousand pages of documents, examined key witnesses from within Ten and CanWest and compiled 950 pages of transcript,' said Mr Webb.

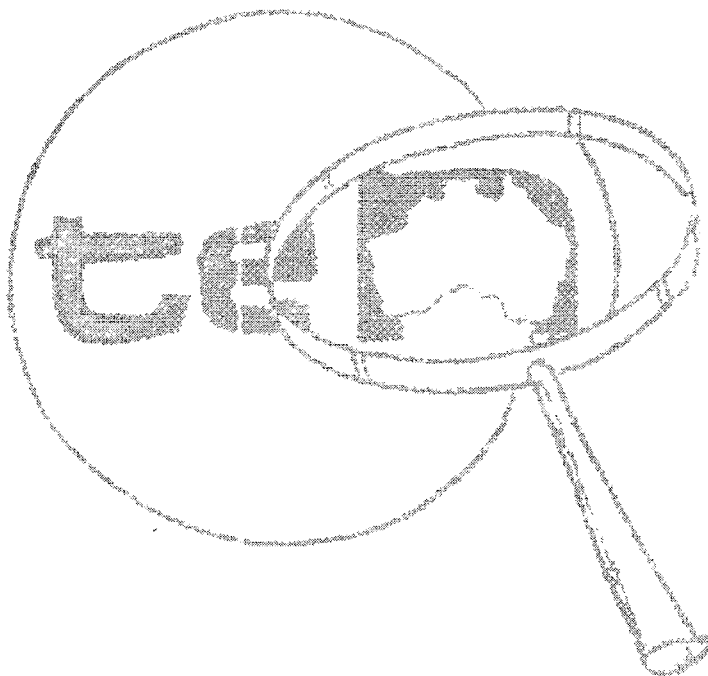
'We made this decision by examining the way in which decisions have been reached within Ten and relationships between persons within and outside Ten.'

He said the ABA's CanWest report is a comprehensive account of the Authority's interpretation of control within media companies.

'While it was a long investigation, it was necessary to monitor events and business relations as they unfolded and to explore all possible scenarios presented to us,' said Mr Webb.

He said the ABA will continue to monitor Ten and CanWest in the same way that the ABA has a responsibility to monitor the broadcasting industry as a whole.

*See over page and following for more details of the investigation and the ABA's findings.*



the operation of the network,' Mr Webb said.

He said CanWest's 57 per cent economic interest in Ten, in the form of shares and debentures, must not be confused with the 15 per cent company interests which con-

include such economic interests in the definition of company interests.

The ABA recommended some legislative options on this topic to the Minister in a recent review of the Act. Parliament is currently considering amendments to the Act.