



CanWest given till 4 April to remedy breaches

SYDNEY: The ABA has granted a further extension of time to Canadian company CanWest Global Communications Corp. (CanWest) to remedy its breaches of the foreign ownership provisions of the Broadcasting Services Act.

The extension is until midnight on 4 April 1998 and is now for the full six months allowed under the Act. No further extensions can be granted.

The ABA found in April 1997 that CanWest was in breach of the foreign ownership provisions of the Act by being in a position to exercise control of the Ten network television licences. The ABA issued notices to CanWest requiring it to take action to remedy the breaches by 4 October 1997. On 2 October 1997, the ABA granted an extension until 13 February 1998.

The extension until 4 April 1998 has been made after the ABA decided to consent to orders, by Her Honour Justice Branson of the Federal Court, requiring it to consider and redetermine the extended period.

A copy of the text of the ABA's letter, dated 23 January 1998, notifying CanWest of its decision, follows:

I refer to the judgement of Her Honour Justice Branson of the Federal Court of 14 January 1998 in relation to CanWest's application for an order of review of the ABA's decision under section 71 of the Act.

Though the ABA has decided not to appeal the decision of the Federal Court, the ABA denies that it failed to accord CanWest natural justice or that it failed to consider the issue of slippage in the timetable raised by the facsimile transmission of 2 October 1997. This document was considered by the ABA at the time it made its original decision.

However, because of reasons of utility and efficiency and because of further slippage in the timetable since the ABA made its original decision, the ABA has decided to consent to orders requiring it to reconsider and redetermine the extended period within which CanWest must take action to ensure that it is no longer in breach of subsections 57(1) and 57(3) of the Act.

The ABA yesterday reconsidered its decision of 2 October 1997 and, having particular regard to further slippage in CanWest's timetable, has decided to grant CanWest the maximum six month extension of the period originally specified in the notices issued under section 70 of the Act, that is, until midnight on 4 April 1998.

CanWest must therefore take action by that time to ensure that it is no longer in breach of subsections 57(1) and 57(3) of the Act.

ABA collects \$181.5m in TV and radio licence fees

SYDNEY: The ABA has collected commercial broadcasting licence fees of \$181.5M. The fees are based on revenue earned by the commercial television and radio industries during the 1996-97 financial year. The money collected goes to the Commonwealth's consolidated revenue.

The ABA collected \$170.7m from 44 commercial television services (compared with \$154.4m from 44 services in the previous year) and \$10.8m was collected from 181 commercial radio services (compared with \$10.6m from 165 services in the previous year).

The increase in the number of commercial radio services reflects the commencement of new services and their obligation to pay licence fees under legislation enacted during 1997. A small number of services are yet to pay or have not paid the correct fee.

'The 10.6 per cent increase in television licence fees is a slightly lower percentage increase than in the previous year (10.9 per cent). The increase reflects a modest increase in television revenues when account is taken of the much lower rebates able to be claimed by regional television services,' said Professor David Flint, ABA Chairman.

The rebate scheme, which has been operating since 1989, recognises the expenses incurred by regional television licensees in expanding their service areas under the Government's equalisation policy. The two licensees in Tasmania claimed rebates of \$800 000 each which reduced the amount of fees payable by them. Some regional services in New South Wales, the Australian Capital Territory, Victoria and Queensland have been able to offset the payment of their licence fees by using credits accrued over the period of the equalisation rebate scheme.

Rebates and use of unused credits for this year totalled \$7.4m (compared to \$14.6m in the previous year). The reduction is due to the fact that services in markets which first benefited from this policy in 1988-89 have now exhausted their right to a rebate.

Fees for individual operators are not available in order to preserve confidentiality.