



# News Update

## Publishing and Broadcasting Ltd/Fairfax Trust

SYDNEY: The ABA has monitored and will continue to monitor issues which arise under the Broadcasting Services Act as a result of the transfer of the interests of Publishing and Broadcasting Ltd (PBL) in John Fairfax Holdings Ltd (Fairfax) to the FXF Trust.

PBL and the manager and the trustee of the trust have provided, at the ABA's request, documents concerning the terms of the trust, the transfer of shares to the trust and other relevant issues.

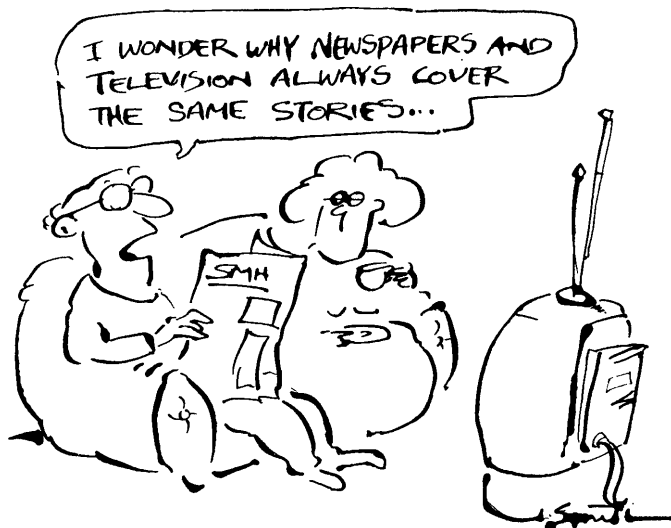
Based on the information available to it, the ABA is of the view that the transfer by PBL of its interests in Fairfax to the FXF Trust does not breach the cross-media rules in the Broadcasting Services Act.

The ABA is also of the view that the level of company interests in Fairfax held by Consolidated Press Holdings Ltd (CPH) will be equal to the level of shareholding in Fairfax held by the FXF Trust.

As a result, if CPH, PBL, the FXF Trust or any of their associates were to acquire additional shares in Fairfax, it would most likely be necessary for the ABA to immediately investigate whether the Broadcasting Services Act had been breached.

### Cross-media regulation

Consolidated Press Holdings Ltd and Publishing and Broadcasting Ltd (and others) are registered with the ABA as being in a position to exercise control of the Nine network commercial television licences. They are prohibited from being in a position to exercise control of newspapers which are associated with the licence area of those licences.



If a newspaper is published by a company, a person is in a position to exercise control of that newspaper if the person is in a position to exercise control of the company, either alone or together with an associate.

John Fairfax Holdings Ltd companies publish newspapers (the *Sydney Morning Herald* and the *Age*) which are associated with the licence areas of the Sydney and Melbourne television licences of the Nine network. Accordingly, Consolidated Press Holdings Ltd and Publishing and Broadcasting Ltd are prohibited from being in a position to exercise control of Fairfax, either alone or together with an associate.

Control is defined to include 'control as a result of, or by means of trusts, agreements, arrangements, understandings and practices, whether or not having legal or equitable force and whether or not based on legal or equitable rights'.

Schedule 1 of the Broadcasting Services Act sets out the mechanisms that are to be used in deciding whether a person is in a position to exercise control of a newspaper or a company and tracing company interests.

If a person has company interests in a company exceeding 15 per cent, the person is to be regarded as being in a position to exercise control of the company.

Company interests, in relation to a person who has a shareholding interest, a voting interest, a dividend interest or a winding up interest, means the percentage of that interest. A person may have a voting interest, a dividend interest or a winding up interest in a company even if the person does not have a beneficial entitlement to, or to an interest in, shares in the company.

## New community radio licences: Central NSW

ORANGE/KANDOS/COBAR: The ABA has allocated four new community radio broadcasting licences in Central NSW.

In Orange, two licences have been allocated, one each to Canobolas Christian Broadcasters Association Inc. (FM 103.5 MHz) and Orange Community Broadcasters Apple FM Inc. (FM 107.5MHz). A licence for Cobar has been allocated to Cobar Community Radio Inc. to operate on FM 102.9 MHz and a licence for Kandos has been allocated to Kandos Rylstone Community Radio Inc. (FM 98.7 MHz).

The licences will enable the provision of services for these regions that target their respective communities. The licensees have