



## **ABA collects \$211.1m in TV and radio licence fees**

The ABA has collected commercial broadcasting licence fees of \$211.1m. The fees are based on revenue earned by the commercial television and radio industries during the 1998–99 financial period.

'This is a 2.1 per cent increase on last year's figure of \$206.7m. This reflects a small increase in the number of both television and radio services and also lower rebates claimed by regional television services,' said Professor Flint.

The ABA collected \$198.4m from 48 commercial television services (compared to \$194.6m from 47 services in the previous year) and \$12.7m from 225 commercial radio services (compared to \$12.1m from 214 services in the previous year).

Annual licence fees are calculated on a percentage of gross earnings by the licensee for the previous financial period. Figures from licence fees paid by individual operators are not available in order to preserve confidentiality. A small number of services are yet to pay or have not paid the correct fee. Licence fees collected go to the Commonwealth's consolidated revenue.

A rebate scheme, which has been in operation 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 have also 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 \$2.5m (compared to \$5.7m 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.

## **No breach: Consolidated Press Holding's and FFX Management**

The ABA is satisfied that Consolidated Press Holdings Limited (CPH), is not in breach of the cross-media provisions of the Broadcasting Services Act as a result of its acquisition of all

the shares in FFX Management Pty Limited, the managing company of the FFX Trust.

The ABA, in its March 1999 report on its investigation into control of John Fairfax Holdings Limited, concluded that CPH was in a position to exercise control of the FFX Trust, and that no breach arose as a result of this.

As a result of CPH's acquisition of the FFX Management Limited CPH's current interest in Fairfax is 14.99 per cent, CPH's deemed interests do not exceed the permitted level of 15 per cent and the FFX Trust does not control John Fairfax Holdings Limited.

The ABA has decided that there are no circumstances that have arisen that would require it to change its previous conclusion that Mr Kerry Packer, Mr James Packer, CPH or any of its associated companies are still not in breach of any of the provisions of part 5 of the Act.

The ABA is aware that if Mr Kerry Packer, Mr James Packer, CPH or any of its associated companies increase their shareholdings in John Fairfax Holdings Limited, it would be necessary to immediately investigate whether the Broadcasting Services Act had been breached.

The ABA will continue to monitor the situation to ensure that there are no breaches of the ownership and control provisions of the Act.

## **Recent amendments to the Broadcasting Services Act**

Following the recent passing of two key amending Acts, significant changes have been made to the *Broadcasting Services Act 1992*. On 23 December 1999, both the *Broadcasting Services Amendment Act (No. 1) 1999*, and *Broadcasting Services Amendment Act (No. 3) 1999* received royal assent. Most of the amendments took effect on that date, with the exception of Part 2 of Schedule 3 of Amendment Act (No. 1) which further amends section 212 of the Broadcasting Services Act.

Amendment Act (No. 1) contains amendments to the operations of pay TV in regional areas: retransmission of services outside a licence area, community radio

To view the Act, as in force from 14 January 2000, go to the SCALEplus web site:  
<http://scaleplus.law.gov.au/html/pasteact/0/136/top.htm>

The ABA expects to release aggregated financial results for commercial television and radio (including expenditure, revenue and profit figures) in March.