

The ABA has released the *Commercial Television Industry 1978-79 to 1998-99*, an analysis.

# Commercial TV revenues outpaced economy in the 80s and 90s

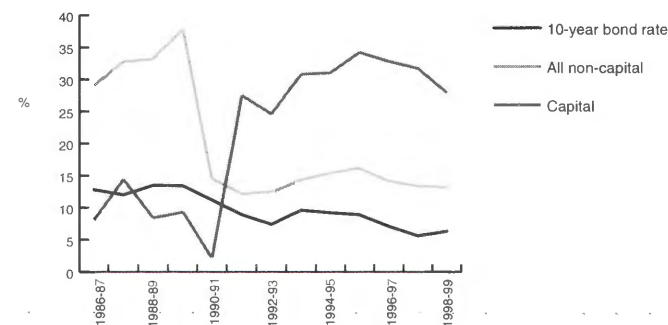
Over the last 20 years, despite the introduction of Government policies that have increased competition and extended the availability of services to more viewers in regional areas, commercial television advertising revenues have consistently grown faster than the Australian economy.

This is one of the findings of the ABA study, the *Commercial Television Industry 1978-79 to 1998-99*. The study contains a detailed analysis of the effects of regulatory change and other major events on the revenues and expenditures, profitability and balance sheet items of commercial television licensees.

'This study provides a comprehensive picture of the commercial television industry over

the last 20 years,' said Professor Flint. 'Analysis of the data collected by the ABA and its predecessor contributes to a better understanding of issues such as competition, ownership rules and external economic influences on the industry. We hope that the study stimulates discussion of the issues that we've raised.'

'The relaxation of the commercial television ownership rules and the deregulation of the banking industry in the late 1980s facilitated a period of rapid licence ownership turnover and financial instability within the industry,' said Professor Flint. 'The study shows the industry's recovery from this period, as well as its response to regulatory and policy



**Figure 2** Rates of return by region and compared with the 10-year bond rate, 1978-79 to 1998-99

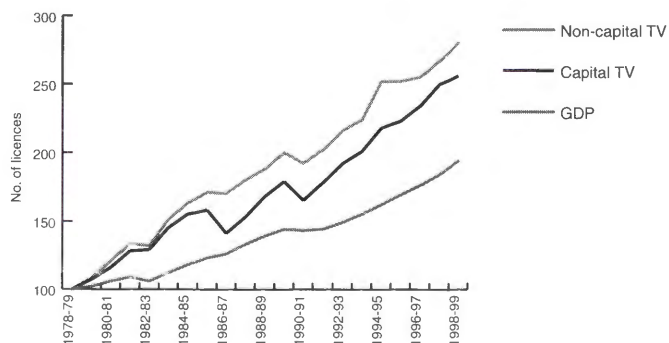
changes such as the introduction of new licences.'

From the late 1980s to early 1990s, solus licences in some regional areas were aggregated to form larger markets with three commercial television licences each. Aggregation appears to have reduced the profit margins of both commercial television and commercial radio licensees in these areas, as the number of media outlets increased and the price of available advertising decreased. Aggregation may also have transferred some control to the owners of capital city licences, as aggregated licensees affiliated with the capital city networks in order to gain programming material and brand recognition.

The ABA collects financial in-

formation from commercial television and commercial radio licensees on an annual basis, which it publishes as the *Broadcasting Financial Results*. The *Commercial Television Industry 1978-79 to 1998-99* uses the data underlying the *Broadcasting Financial Results* to present an analysis not possible using publicly available data.

**The ABA released a similar study on economic aspects of the commercial radio industry, *The Commercial Radio Industry 1978-79 to 1997-98*, in November 2000. Both studies are on the ABA web site, [www.aba.gov.au](http://www.aba.gov.au), or as booklets, price \$10 each from the ABA. The *Broadcasting Financial Results* may be purchased in electronic form for \$550.**



**Figure 1** Index of growth in real GDP and of real capital and non-capital city commercial television revenues, 1978-79 to 1998-99