



Radio broadcasters report a 21.5 per cent drop in profits; TV broadcasters report 0.2 per cent drop

Profit down for commercial television and radio

Broadcasting financial results for 2001-02 provided by commercial licensees show drops in profit for both radio (down 21.5 per cent) and TV (down 0.2 per cent) according to figures released by the Australian Broadcasting Authority today.

"In 2001-02, commercial radio licensees generated \$730.6 million in revenue, with \$621.8 million going to expenses," said Professor David Flint, ABA Chairman. "This meant a broadcasting profit of \$108.6 million and represents a 21.5 per cent decrease over the previous year's profit of \$138.4 million."

The amount of revenue generated in 2001-02 by the 249 radio licensees that reported (out of a total of 258) represents a 2.1 per cent decrease over the previous year's amount of \$746.6 million (generated by 245 licensees). Expenses increased by 2.2 per cent over the previous year's amount of \$608.2 million.

"Commercial television licensees generated \$3233.1 million in revenue in 2001-02, with \$2822.4 million going to expenses. This produced a broadcasting profit of \$410.7 million, which represents a 0.2 per cent decrease on the previous year's profit of \$411.5 million," said Professor Flint.

The amount of revenue generated in 2001-02 by 48 televi-

sion licensees (all licensees reported) represents a 3.4 per cent decrease over the previous year's amount of \$3347.3 million, also generated by 48 licensees. Expenses decreased by 3.9 per cent over the previous year's amount of \$2935.8 million.

Of the \$3169.5 million revenue generated by the three major networks, the Seven Network and its affiliates accounted for \$1009.9 million (31.9 per cent), the Nine Network and its affiliates \$1396.8 million (44.1 per cent), and the Ten Network and its affiliates \$762.8 million (24 per cent).

The Seven Network and its affiliates earned \$177.3 million less than in 2000-01 (down 14.9 per cent), the Nine Network and its affiliates earned \$19.8 million less than in 2000-01 (down 1.4 per cent), and the Ten Network and its affiliates earned \$84.1 million more than in 2000-01 (up 12.4 per cent).

The Seven Network and its affiliates spent a total of \$287.6 million on Australian programming in 2001-02, representing a 17 per cent decrease over the previous year's amount of \$346.4 million. The Nine Network and its affiliates spent a total of \$288.2 million on Australian programming in 2001-02, representing an 11.1 per cent increase over the previous year's amount of \$259.5 mil-

lion. The Ten Network and its affiliates spent a total of \$122.2 million on Australian programming in 2001-02, representing a 41.1 per cent increase over the previous year's amount of \$86.6 million.

This includes all forms of Australian programming, including news, sport, reality TV as well as those programs with which the ABA's content standard is most concerned – including drama.

"While commercial television licensees are required to comply with quotas relating to Australian content and children's programming, these are not determined on the basis of expenditure on local content," said Professor Flint.

The ABA collected commercial broadcasting licence fees of \$204.4M, a decrease of 6.5 per cent on last year's figure of \$218.6M. The fees are based on revenue earned by the commercial TV and radio sectors during 2001-02.

The ABA collected \$188.9M from 48 commercial TV services (compared to \$203.0M from 48 services in the previous year). Eligible regional television licensees claimed rebates totaling \$21.8M in December 2002. This is \$1.5M more than the amount of \$20.3M accessed in December 2001. A total of \$15.5M was collected from 249 of 258 commercial radio serv-

ices (\$100,000 less than the previous year).

Further details on the financial performance of commercial radio and commercial television licensees in metropolitan and regional Australia are in *Broadcasting Financial Results 2001-02*, available on disk by calling the ABA on (02) 9334 7700. The price is \$550 (including GST).

For commercial radio in metropolitan areas, information is provided on the performance of FM services, AM services and networks. For regional areas, the information is available for larger, medium-sized and smaller regional markets.

The financial performance of commercial television licensees is broken down by State, mainland capital city, multi-station and solus regional markets and networks.

To maintain the confidentiality of individual licensees, broadcasting financial results are aggregated. This means that some information, for example a breakdown between AM and FM licensees, is not available for some areas.

Information in *Broadcasting Financial Results 2001-2002* is provided by licensees to the ABA. The figures are not verified and appear as reported, however licence fees are subject to audit.

