



ACMAsphere

Australia's regulator for broadcasting, the internet,
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Macquarie Media Group applications to acquire Southern Cross Broadcasting approved

ACMA has approved applications by Macquarie Media Group relating to its proposed acquisition of Southern Cross Broadcasting (Australia) Limited.

Macquarie Media Group refers to the media fund comprising Macquarie Media International Limited, Macquarie Media Holdings Limited and Macquarie Media Management Limited (as the responsible

entity for Macquarie Media Trust).

Macquarie and certain related bodies corporate, and their directors, applied to ACMA for prior approval of temporary breaches of certain control rules

under the *Broadcasting Services Act 1992* and of a transaction that would otherwise result in breaches of the new media diversity rules. The Act provides that some transactions and prospective breaches may be

approved by ACMA before they occur if it is satisfied that remedial action will be taken within approved timeframes.

In support of its applications, Macquarie offered ACMA enforceable undertakings under Part 5 and Part 14D of the *Broadcasting Services Act*. After extensive discussions to considerably strengthen the

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proposed undertakings, ACMA has given the approvals. Macquarie will be required to divest assets in certain markets and take other action within strict timeframes. ACMA is now satisfied that the enforceable undertakings offered are sufficient to ensure—as required by the Act—that necessary actions will be taken to remedy the breaches within appropriate times.

The applications were processed well within the 45 days from formal lodgment required under the Broadcasting Services Act. Macquarie provided early advice about the proposed applications and additional information when this was requested in the course of discussions about the applications.

Southern Cross Broadcasting currently controls 16 commercial television licences and seven commercial radio licences. Before coming into a position to exercise control of Southern Cross, Macquarie was in a position to exercise control of 87 commercial radio licences.

Macquarie's proposed acquisition will result in breaches of the statutory control rules in the Tasmania and Darwin commercial television licence areas, and the combined Brisbane and Nambour commercial radio licence areas.

An unacceptable media diversity situation will also arise in nine commercial radio licence areas—Atherton, Burnie, Charters Towers, Devonport, Emerald, Kingaroy, Mt Isa, Warragul and Young—and there will be a reduction in points in three additional commercial radio licence areas in which an unacceptable media diversity situation already exists—Queenstown, Roma and Scottsdale.

Details of the approvals under section 67 of the Broadcasting Services Act will be in the register on the ACMA website. ACMA has given Macquarie a maximum of 12 months to take action to ensure these breaches cease. ACMA is not obliged to reveal the time period given to remedy the unacceptable media diversity situation approved under section 61AJ. The undertakings given by Macquarie were published on the ACMA website. Certain commercial-in-confidence material in the undertakings relating to time periods was not published on the website, consistent with generally accepted market practice, but will be published following the relevant divestitures by Macquarie.

On 3 July 2007, Macquarie and Fairfax Media Limited made an announcement about a

subsequent transaction related to the acquisition of Southern Cross Broadcasting by Macquarie. ACMA understands that further applications for prior approval will be made for this transaction.

The Australian Competition Consumer Commission (ACCC) is assessing the acquisition by Macquarie to determine whether the acquisition is likely to substantially lessen competition in breach of the *Trade Practices Act 1974*. The ACCC's competition assessment is entirely independent of ACMA's consideration of the applications under the Broadcasting Services Act. More information about the assessment is on the ACCC website at www.accc.gov.au/content/index.phtml/itemId/142.

More information about media groups and media operations, and their controllers, in each licence area in Australia is in the Register of Controlled Media Groups and the Media Diversity Report on the ACMA website at www.acma.gov.au (go to About ACMA: Forms & online systems > Broadcasting: Broadcasting registers).



ACMA helps Queensland police

ACMA was called in recently by Queensland police to assist in a case where a Southport man was allegedly threatening to blow up the \$700 million Southport Central development and shoot construction workers.

The man allegedly had been making threats, transmitted by CB radio from his apartment, to shoot workers on-site, sabotage vital chains with acid so they would break and place a 44 gallon drum of explosive chemicals in the construction site's foundations.

Police called in officers from the ACMA Northern Australia Regional Office in Brisbane, who used special radio equipment to pinpoint the man's address within an hour. A warrant was then issued and detectives raided the apartment and took the man into custody. A CB radio and other items were seized during the raid. ACMA has also assisted the police with information relating to possible breaches of the *Radiocommunications Act 1992*.