

## Broadcasting licence fees up nearly 12 per cent in 2004-05

ACMA recently announced that it had collected commercial broadcasting licence fees of \$271.5 million for the 2004-05 financial year, an increase of 11.7 per cent from the \$243.1 million collected for the previous year. The amount comprises \$20.3 million in licence fees from commercial radio services (\$17.9 million in the previous year) and \$251.2 million from commercial television services (\$225.2 million in the previous year).

Licence fees are paid by industry for using broadcasting spectrum, a scarce public resource, and the money collected goes to the Commonwealth's Consolidated Revenue Fund.

Under the Regional Equalisation Plan, which subsidises television licensees for the cost of introducing digital services in regional areas, rebates totalling \$23.6 million were claimed in December 2005, and offset against television licence fees owing for 2004-05.

Annual licence fees are calculated as a percentage of gross earnings by the licensee for the previous financial period, but to preserve confidentiality, fees for individual operators are not publicly available. Commercial licensees are required to pay licence fees on 31 December each year.

## Broadcasting Financial Results 2004-05 released

ACMA has released the *Broadcasting Financial Results 2004-05*, which show that while revenue increased, profits were down and expenditure increased for commercial radio and television broadcasters for the year.

The 53 reporting television licensees achieved profits of \$576.9 million (down by 2.4 per cent compared with 2003-04), and reported expenditure of \$3,542.4 million (up by 13.1 per cent). The 274 reporting commercial radio licensees achieved a broadcasting profit of \$170.3 million in 2004-05 (up by 37.8 per cent). The television licensees also reported \$4,119.3 million in revenue in 2004-05, a 10.6 per cent increase over the previous year. Similarly, the \$947.8 million in revenue generated by radio licensees represents a 10.9 per cent increase compared to 2003-04.

The three major television networks and their affiliate

licensees generated \$4,045.5 million (98.2 per cent) of total commercial television revenue. The Nine Network and its affiliates accounted for 40.7 per cent of this with \$1,644.1 million, the Seven Network and its affiliates had 29.7 per cent (\$1,203.1 million) and the Ten Network and its affiliates had 29.6 per cent (\$1,198.3 million).

Commercial television licensees spent \$1,163.4 million on programming for the 2004-05 reporting period, an increase of 15.7 per cent over the previous year. Of total programming expenditure, \$812.8 million was spent on Australian programs, an increase of 20.5 per cent. However, there has been a 1.4 per cent decrease in expenditure on Australian drama in each of the last two years.

The results contain information provided to ACMA by commercial radio and television licensees. The figures appear as reported by the licensees. For commercial radio

services in metropolitan areas, information is provided on the financial performance of AM and FM services in national, state, capital city and regional markets. For the regional areas, information is available for larger, medium-sized and smaller 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, meaning that some information, for example, a breakdown between AM and FM licensees, is not available for some areas.

*Broadcasting Financial Results 2004-05* is available on CD from ACMA for \$550 (including GST). To obtain a copy, send an email to [candinfo@acma.gov.au](mailto:candinfo@acma.gov.au).

