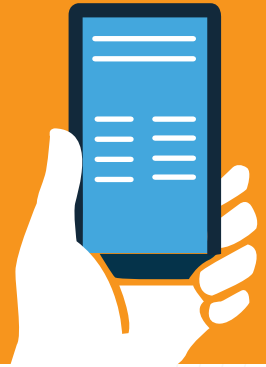


AUSTRALIA'S MEDIA CONTROL AND OWNERSHIP RULES

September 2016

UPDATING
AUSTRALIA'S
MEDIA LAWS

Currently, there are five numerical tests that form the basis of Australia's media control rules, which are set out in the *Broadcasting Services Act 1992*.



'75 per cent audience reach' rule

A person, either in their own right or as a director of one or more companies, must not be in a position to exercise control of commercial television broadcasting licences whose combined licence area populations exceed 75 per cent of the population of Australia.



'2 out of 3' rule (the 'cross-media ownership rule')

A person cannot control more than two of the regulated media platforms (commercial television, commercial radio and associated newspapers) in any commercial radio licence area.



'5/4' rule (the 'minimum voices rule')

At least five independent media 'voices' must be present in metropolitan commercial radio licence areas (the mainland state capital cities), and at least four in regional commercial radio licence areas.



Australian Government

Department of Communications and the Arts

mediareform.communications.gov.au

'1-to-a-market' rule

A person, either in their own right or as a director of one or more companies, must not be able to exercise control of more than one commercial television broadcasting licence in a licence area.



'2-to-a-market' rule

A person, either in their own right or as a director of one or more companies, must not be able to exercise control of more than two commercial radio broadcasting licences in the same licence area.



Concept of 'control'

The media ownership and control rules are based on the concept of 'control'. If a person has company interests exceeding 15 per cent, they are regarded as being in a position to exercise control of the company.

However, holding company interests is not the only way to be in a position to exercise control. Other examples of control are if the person: is the licensee; can control the selection or provision of a significant proportion of the licensee's programming; can control a significant proportion of the operations of the company; can appoint, secure or veto the appointment of at least half of the board of directors; or can exercise direction or restraint over any substantial issue affecting the management or affairs of the licensee or company. Similar criteria apply to newspapers, their publishers and persons exercising control of them.

Control does not necessarily equate to economic ownership, and this is intended to ensure that businesses cannot use various ownership structures or holding companies to avoid regulation.

