

**ANNUAL REPORT  
AND  
ACCOUNTS  
1981**

**BROADCASTING  
AUTHORITY**

MALTA



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BROADCASTING AUTHORITY

TWENTY-FIRST ANNUAL REPORT

Year Ended 31st December 1981

## INTRODUCTORY

The year covered by this report saw quite a few developments of considerable significance in the workings of the Authority, as the regulatory body charged under the Constitution with responsibility for ensuring due impartiality in broadcasting in these Islands. It was a year of decisions with a crowded calendar of events from the very start.

Substantial changes took place during the twelve months, the most relevant administratively being the appointment of Mr Francis S Carbone as Chief Executive, a post which had been vacant for some years. During little more than three months moreover, the Authority lost the services of its Chairman, Professor Edwin Busuttil B.A., LL.D., M.A. (Oxon), B. Litt. (Oxon), who, having received his assignment on the 21st January 1981 dedicated a great deal of time to matters of broadcasting policy during his short term. The Authority remains grateful to Prof Busuttil for the contribution made under his chairmanship until his resignation on the 5th May 1981.

Mr Emanuel A Bonello C.P.A., F.C.I., F.L.S.A. succeeded him on the 23rd October 1981 for a period up to 20th July 1982 when the current term of the Authority's appointment expired.

## GENERAL REVIEW

### - The Authority and its Members

Towards the end of the year, the Members of the Authority previously appointed in terms of Section 121 (2) of the Constitution were:

Mr Emanuel A Bonello	C.P.A. F.C.I.	- Chairman
	F.L.S.A.	
Mr Renald Dalli	)	
Mr Angelo Fenech	)	
Mr Anthony V Mallia	)	- Members
Mr John A Manduca	)	

The last two members aforementioned tendered their resignation to the President of the Republic on the 16th December 1981.

#### - Organisation and Staff Movements

As stated earlier Mr Carbone - a career civil servant since March 1950 - was seconded from Government Service to the Authority to be Chief Executive with effect from 22nd January 1981. He was formerly Director of Labour and Emigration, a post he had held since 1976.

1981 saw the departure of Mr Antoine Ellul, the Authority's Secretary who had played an appreciably notable part in the Authority's rôle since its inception. For several years, he was delegated to carry out the duties normally assigned to the Chief Executive.

Mr Ellul was detailed for duties with the Ministry of Trade (and subsequently the Ministry of Industry) where he took with him a wealth of experience to his new task in the public service.

Having regard to these movements the opportunity was taken to review the distribution of staff duties, involving a number of changes, particularly at senior grade following a period of several years when the Staff's

grading had been held level. This included the appointments as Administrative Officers of Mr Michael Camilleri, the Assistant Secretary, and Mr Henry Zammit Cordina who held the specialised functions covered by the post of Head of Programme Services. In recognition of their long years of service to the Authority, other members of the Staff were also upgraded to executive officer status on reaching proficiency.

### BROADCASTING AND PARLIAMENT

#### - Party Political Broadcasts

The Authority went headlong in its first meeting to discuss the continuation of this series, the last programme of which had been transmitted on the 23rd January 1981. These broadcasts were held regularly throughout the years in between General Elections but, in the circumstances, only an 'extension' of the scheme could be proposed, remaining operative until the expiration of the current parliamentary term.

After consulting the parties represented in the House of Representatives the Authority decided on an allocation of 600 minutes of airtime, apportioned to the Parties in terms of their parliamentary strength (See Appendix I). The Scheme, with 11 broadcasts, comprised 7 Press Conferences and 4 Debates and provided for transmission on Fridays to take place every three weeks (except for Good Friday), while there were no broadcasts during the summer month of August.

- Meeting with Nationalist Party Delegation

Apart from consultations conducted with the representatives of both Political Parties, a delegation from the Nationalist Party, headed by Dr E Fenech Adami, met the Chairman on the 29th January 1981 when various points were raised with particular reference to Political and Ministerial Broadcasts.

- Ministerial and Parliamentary Broadcasts

There were three Ministerial broadcasts, transmitted by way of commemorating international events and the part individually played by the different ministries in the local sphere.

In addition to the coverage given to parliamentary sessions, particularly when national issues were involved, there was "live" transmission of the 1982 Budget speech presented by the Minister of Finance, Dr Joseph Cassar, on the 1st September 1981.

During December, the Prime Minister broadcast on three occasions: first, a Press Conference from the Auberge de Castille in connection with the results of the General Elections (14.12.81) followed by an address at the joint Annual General Conference of the Malta Labour Party and General Workers' Union (18.12.81). He also gave his traditional end-of-year message to the nation.

A noteworthy addition, however, was the Debate transmitted on the 15th April 1981 direct from the House of Representatives, between

the Prime Minister and the Leader of the Opposition regarding the Ratification of the Malta-Italy Neutrality Agreement.

- General Election Broadcasts

As on previous similar occasions, the Authority drew up a scheme of broadcasts after consultations with representatives of both Parties (see Appendix II). The Calendar of Broadcasts transmitted on all media and commencing the 25th November consisted of four Press Conferences - equally shared by the Parties - and one Debate where, for the first time ever, the Leaders of both Political Parties took part in such a 60-minute programme. Mr Tonio Portuguese B.A. (Hons), M.A. acquitted himself admirably in presiding as chairman of all the programmes in this series, which closed in the form of a talk by the Prime Minister, as the Leader of the Malta Labour Party, on the 9th December, 1981.

Sunday, 6th December, however, was dedicated to five-minute broadcasts each by the two Independent candidates.

- Broadcasts from Abroad

In mid-November, both the General Workers' Union, at its annual General Conference, and the Malta Labour Party separately submitted their claim to the Authority over what was termed as imbalance created by the Nationalist Party's broadcasts transmitted from stations overseas.

The matter was discussed at length during a meeting of the Authority where it was held that it was not within its competence to put a stop to such broadcasts. It being the last meeting convened during the year, no remedial measure could be taken at that time for lack of quorum.

### OVERSEAS CONTACTS

The vexed question as to whether the Authority would continue in its membership to the European Broadcasting Union remained to the fore. With member-countries contributions constantly augmenting, it became imperative that, Xandir Malta having then opted to terminate its joint active membership, a revision in Malta's particular case be seriously considered. Representations were made with the General Secretariat and the Chief Executive was delegated to pursue the matter when attending during June 1981 the EBU General Assembly which, for the first time since its foundation, was convened at its Headquarters in Geneva.

The importance attached to this session can best be gauged from the representation of 38 Active Members including Algeria, Cyprus, Greece, Libya and Yugoslavia and 25 Associate Members, as well as observers from various broadcasting unions in Africa, the Arab States, Asia and the Pacific, Eastern Europe and Latin and North America.

Discussions ranged from major statutory changes to the operation in future of the European Communication Satellite. In Malta's case, all the



elements brought forward by the Chief Executive were taken into account, particularly the submissions concerning the internal broadcasting position at the time; as a transitory concession in fact, Malta's subscription was exceptionally reduced favourably affecting the budgetary situation, on the understanding that the joint participation by Xandir Malta would be closely re-examined for the years ahead.

#### THE AUTHORITY AND TELEMALTA CORPORATION, ITS CONTRACTORS

Following the demise of Mr Joseph Avellino in June 1980, Mr Toni Pellegrini was appointed Head of Xandir Malta, the Broadcasting Division of TeleMalta Corporation.

With such developments occurring early in the year, frequent consultations were held subsequently, with stress often placed by the Authority in exercising its functions vis-a-vis the manner in which Xandir Malta conducted its affairs.

Undoubtedly, the major event which attracted the interest of the general public was the introduction, made public in the last Budget speech, of colour to the existing television service in the Maltese Islands. Historically, this took place on the 8th July 1981. The Authority is pleased to record the excellent collaboration shown by all concerned with the Technical department working in association with personnel from the Canadian Broadcasting Corporation who conducted operations in Malta under the auspices of UNESCO. A detailed review, concerning Xandir Malta's activities throughout the year, is set out in the Corporation's Annual Report 1980/81.

It will be relevant to mention, however, certain aspects regarding programming generally during the year under review.

Soon after the Authority was reconstituted, it was intimated to Xandir Malta that an overall improvement was considered essential both with regard to foreign material and the professional standard of locally produced programmes on the media. The Authority here stressed the re-introduction of previous arrangements whereby its own staff would be more closely involved in that direction. While certain curtailment, minimally interfering with local productions, was acceptable during rapid developments in the changeover to colour, emphasis was made on reduction of last-minute TV programme repeats and substitutions.

It remains common knowledge nevertheless that even after the transition from monochrome certain programmes did not reach the desired level, particularly in the realm of drama, whereas improvement was registered in other areas, gradually promising a wider range, and leading to an upsurge of more attractive programming.

#### FINANCE

On the advice of Ministers, the President of the Republic approved the sum of £M56,000 as payment to the Authority in respect of its expenditure for the year.

It may be appropriate to point out that the Broadcasting Ordinance 1961 provides for a minimum annual income of £M45,000 for the services

of the Authority which, in terms of its contractual obligations, should include the application of £M35,000 for the prescription and improvement of programmes. This obligation has not been adhered to due to limited financial resources and the only funds used for this purpose relate solely to expenditure connected with political (including General Election) broadcasts.

The report of the Auditors, Messrs Diamantino, Mizzi & Co. is annexed (See Appendix III) to the Balance Sheet and Income and Expenditure Account submitted for the financial year to 31st December 1981.

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BROADCASTING AUTHORITY

(constituted under Ordinance XX of 1961)

FINANCIAL STATEMENTS

31st DECEMBER, 1981

INDEX

Page

1.	Report of the Auditors
2.	Balance Sheet
3.	Income and Expenditure Account
4 to 6	Notes to the Accounts

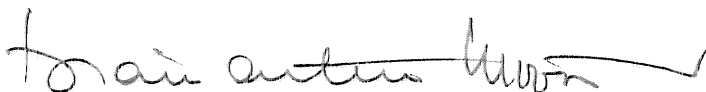
Schedule

1.	Expenditure on Prescribed Programmes
2.	Administration Expenses
3.	Changes in the Cash Position
4.	Changes in Net Working Capital Position

REPORT OF THE AUDITORS  
TO THE MEMBERS OF THE  
BROADCASTING AUTHORITY

We have examined the annexed Balance Sheet and Income and Expenditure Account which are in agreement with the books and records kept by the Authority and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. Proper books of account have been kept, so far as appears from our examination thereof.

In our opinion and according to the information and explanations given to us, the said Balance Sheet and Income and Expenditure Account read in conjunction with the notes thereon, give a true and fair view of the state of affairs of the Authority at 31 December, 1981 and of the results for the year ended on that date.



Diamantino, Mizzi & Co  
Certified Public Accountants and Auditors

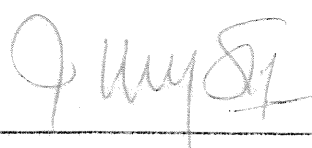
Valletta Buildings  
South Street  
Valletta

11 July, 1989.

BROADCASTING AUTHORITY(Constituted under Ordinance XX of 1961)BALANCE SHEET31st DECEMBER, 1981

	<u>Notes</u>	Lm	Lm	<u>31,12,80</u> Lm
FIXED ASSETS	1 & 2		2,044	3,206
CURRENT ASSETS	3	28,496		20,324
CURRENT LIABILITIES	4	(7,462)		(1,857)
			21,034	18,467
			23,078	21,673
<u>Less:</u>				
SHORTFALL IN "PRESCRIBED PROGRAMMES"	5		(148,202)	(128,392)
			(125,124)	(106,719)
			=====	=====
GRANTS	6		16,960	16,960
GOVERNMENT CONTRIBUTIONS	7		35,249	35,339
			52,209	52,299
SHORTFALL IN "AVAILABLE FUND"	5		(177,333)	(159,018)
			(125,124)	(106,719)
			=====	=====

SIGNED ON BEHALF OF THE MEMBERS  
OF THE AUTHORITY



CHAIRMAN

The notes on pages 4 to  
6 form part of these  
financial statements.



CHIEF EXECUTIVE

BROADCASTING AUTHORITY  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER, 1981

		<u>1980</u>
	Lm	Lm
INCOME - (Note 8)	59,143	38,954
<u>Less:</u>		
Amounts utilised towards purchase of fixed assets	90	-
	<hr/> 59,233	<hr/> 38,954
EXPENDITURE		
Administration	(42,548)	(29,752)
	<hr/> 16,685	<hr/> 9,202
On prescribed programmes	(15,190)	(10,515)
	<hr/>	<hr/>
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR	1,495	(1,313)
SHORTFALL IN "PRESCRIBED PROGRAMMES"	(19,810)	(24,485)
	<hr/>	<hr/>
SHORTFALL IN "AVAILABLE FUND"	(18,315)	(25,798)
	<hr/> =====	<hr/> =====
AVAILABLE FUND		
Shortfall brought forward	(159,018)	(133,220)
Shortfall for the year	(18,315)	(25,798)
	<hr/>	<hr/>
Shortfall carried forward	(177,333)	(159,018)
	<hr/> =====	<hr/> =====

The notes on pages 4 to  
6 form part of these  
financial statements.

BROADCASTING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
31st DECEMBER, 1981

## 1. ACCOUNTING POLICIES

Depreciation of Fixed Assets

Depreciation is calculated on the straight line basis at the rates shown below:

Freehold Land	Nil
Furniture, Fittings and Office Equipment	20 - 10%
Technical Equipment	25%
Studio Equipment	20%
Motor Vehicles	20%
Radio Malta -	
Furniture and Fittings	35 - 20 - 10%
Studio and Technical Equipment	25 - 20 - 10%

## 2. FIXED ASSETS

	Cost	Depreciation	Net Book Value	
			31.12.81	31.12.80
	Lm	Lm	Lm	Lm
Freehold Land	655	--	655	655
Furniture, Fittings and Office Equipment	8,253	7,919	334	669
Technical Equipment	10,694	10,672	22	30
Studio Equipment	8,119	8,119	--	--
Motor Vehicle	1,624	1,624	--	--
Radio Malta -				
Furniture and Fittings	1,438	1,399	39	52
Studio and Technical Equipment	19,963	18,969	994	1,800
	50,746	48,702	2,044	3,206
(31 December, 1980)	50,746	47,540		



BROADCASTING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
31st DECEMBER, 1981

3. CURRENT ASSETS

		<u>31.12.80</u>
	Lm	Lm
Debtors and Prepayments	16,588	12,645
Cash in Hand and at Bank	11,908	7,679
	<hr/>	<hr/>
	28,496	20,324
	<hr/>	<hr/>

4. CURRENT LIABILITIES

	Lm	Lm
Creditors and Accruals	7,462	1,857
	<hr/>	<hr/>

5. SHORTFALL IN "AVAILABLE FUNDS" AND IN "PRESCRIBED PROGRAMMES"

Arising out of Broadcasting agreements, the Authority is obliged to apply a sum of Lm35,000 per annum (referred to as the "Available Fund") towards the improvements of programmes (referred to as the Prescribed Programmes").

The income of the Authority was not always sufficient to enable it to meet its obligation towards "prescribed programmes". The shortfall in income is represented by the "shortfall in Available Funds".

6. GRANTS

These represent grants of Technical Equipment received from foreign organisations.

BROADCASTING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
31st DECEMBER, 1981

## 7. GOVERNMENT CONTRIBUTIONS

These relate to contributions from wireless licence fees and are made up as follows:

		<u>31.12.80</u>
	Lm	Lm
Amounts applied for capital purposes to date	33,786	33,876
Provision for loss or damage to films on hire	1,463	1,463
	<u>35,249</u>	<u>35,339</u>
	=====	=====

## 8. INCOME

	Lm	Lm
Government Contributions from		
Wireless Licence fees	58,000	38,000
Licence Fees from Contractor	751	751
Ground Rents	14	14
Bank Interest	378	189
	<u>59,143</u>	<u>38,954</u>
	=====	=====

## 9. GRATUITIES

The amount of Lm15,074 together with Lm4,270 paid in 1980 represent the total liability of the Authority - Lm19,344 in respect of the following:

- a. Liquidation of staff non-contributory superannuation scheme.
- b. Ex-gratia payments to staff members not enjoying benefits under the above scheme.
- c. Indemnity payment to a seconded staff member in terms of his conditions of service.
- d. Terminal benefits to members of the School Broadcasting Unit who have since jointed the Department of Education.

## Schedule 1.

BROADCASTING AUTHORITYEXPENDITURE ON PRESCRIBED PROGRAMMESFOR THE YEAR ENDED 31st DECEMBER, 1981

Expenditure on Sound and Television Broadcasts is regulated by Clause 12 of an agreement dated 28th September, 1961 which stipulates an annual expenditure on programmes prescribed by the Authority as follows:

Sound Broadcasts	Lm10,000
Television Broadcasts	Lm25,000

The amount incurred during the period is as shown below:-

	<u>Total</u>		<u>Sound</u>		<u>Television</u>	
	<u>31.12.81</u>	<u>31.12.80</u>	<u>31.12.81</u>	<u>31.12.80</u>	<u>31.12.81</u>	<u>31.12.80</u>
	Lm	Lm	Lm	Lm	Lm	Lm
Airtime and Studio Charges	4,544	3,043	1,064	936	3,480	2,107
Depreciation on Technical Equipment	8	34	4	17	4	17
Proportion of Overhead Expenses (Schedule 2)	10,638	7,438	3,032	2,120	7,606	5,318
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	15,190	10,515	4,100	3,073	11,090	7,442
Liability for amount payable towards the improvement of programmes	19,810	24,485	5,900	6,927	13,910	17,558
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	35,000	35,000	10,000	10,000	25,000	25,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

BROADCASTING AUTHORITY  
ADMINISTRATION EXPENSES  
FOR THE YEAR ENDED 31st DECEMBER, 1981

		<u>31.12.80</u>
	Lm	Lm
Audit Fee	400	400
Depreciation		
Furniture and Fittings	132	148
Office Equipment	203	244
Motor Vehicle	-	81
Duty Visits Abroad	573	1,394
Entertainment and Hospitality	334	95
Gratuities (Note 9)	15,074	4,270
Honoraria to Members	1,311	1,480
Professional Fees and Expenses	1,175	1,010
Maintenance and Repairs	243	150
Membership Fees -		
International Organisations	3,242	2,916
Postages, Telegrams and Telephones	760	908
Rent	1,500	1,500
Rentals of Wired Sound and Television Sets	125	24
Stationery	562	162
Staff Superannuation Scheme	-	1,014
Subscriptions to Newspapers, etc.	114	148
Sundry Expenses	303	138
Transport	817	274
Wages and Salaries	25,943	20,105
Water and Electricity	375	329
Religious Broadcasting Honoraria	-	400
	<hr/>	<hr/>
	53,186	37,190
<u>Less:</u>		
Amounts charged against prescribed programmes		
Sound Broadcasts - 5.7% (Schedule 1)	(3,032)	(2,120)
Television Broadcasts - 14.3% (Schedule 1)	(7,606)	(5,318)
	<hr/>	<hr/>
	42,548	29,752
	<hr/>	<hr/>

BROADCASTING AUTHORITY  
CHANGES IN THE CASH POSITION  
FOR THE YEAR ENDED 31st DECEMBER, 1981

			<u>31.12.80</u>
	Lm	Lm	Lm
Funds became available during the year as follows:			
Government Contributions		58,000	38,000
Sundry Income		1,143	954
		<hr/>	<hr/>
		59,143	38,954
		<hr/>	<hr/>
and applied to meet			
Expenditure on Prescribed Programmes		15,190	10,515
Administration		42,548	29,752
		<hr/>	<hr/>
		(57,738)	(40,267)
		<hr/>	<hr/>
Leaving a Surplus (1980 - Deficit) of Income over Expenditure		1,405	(1,313)
From this Surplus (1980 - Deficit) is added:			
Increase in Debtors	33		-
Provisions for amounts payable in respect of prescribed programmes	19,810		24,485
	<hr/>		<hr/>
		(19,843)	(24,485)
		<hr/>	<hr/>
Leaving a net deficit for the year of		(18,438)	(25,798)
		<hr/>	<hr/>
The Deficit is decreased by			
Decrease in Debtors	-		802
Increase in Creditors	21,505		24,491
Retained Depreciation	1,162		1,365
	<hr/>		<hr/>
		22,667	26,658
		<hr/>	<hr/>
Leaving a net cash surplus for the year of		4,229	860
		<hr/>	<hr/>

BROADCASTING AUTHORITY  
CHANGES IN THE CASH POSITION (Continued)  
FOR THE YEAR ENDED 31st DECEMBER, 1981

The Net Cash Surplus for the year effected the Authority's Liquid Funds as follows:

	Cash and Bank Balances as at			
	31.12.80	31.12.81	31.12.81	31.12.80
	Lm	Lm	Lm	Lm
Bank Savings Account	8,702	10,581	1,879	2,089
Current Account	(1,070)	1,272	2,342	(1,258)
Cash	47	55	8	29
	<hr/>	<hr/>	<hr/>	<hr/>
	7,679	11,908	4,229	860
	=====	=====	=====	=====

## Schedule 4.

BROADCASTING AUTHORITY  
CHANGES IN NET WORKING CAPITAL POSITION  
FOR THE YEAR ENDED 31st DECEMBER, 1981

		<u>31.12.81</u>	<u>31.12.80</u>
	Lm	Lm	Lm
Cash Surplus for the year (Schedule 3)		4,229	860
			<hr/>
Increase (1980 - Decrease) in Debtors	(33)		802
Increase in Creditors	21,505		24,491
	<hr/>		<hr/>
		21,472	25,293
		<hr/>	<hr/>
Decrease in Net Working Capital		17,243	24,433
		=====	=====