



Broadcasting Authority  
Malta

**Annual Report  
1999**

**Broadcasting Authority  
Malta**



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BROADCASTING AUTHORITY



L-AWTORITÀ TAX-XANDIR

The Hon Dr Eddie Fenech Adami, BA, LL.D., M.P.,  
Prime Minister,  
Auberge de Castille,  
Valletta

30th March 2000  
Ref. 67/62/4


Prime Minister,

In accordance with section 30 (1) of the Broadcasting Act, 1991 we have pleasure in forwarding the Broadcasting Authority's Annual Report for 1999.

Yours sincerely,



Prof. Joseph M Pirota  
Chairman



Dr Kevin Aquilina  
Chief Executive



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## **Broadcasting Chronology 1999**

**January** Dr Kevin Aquilina, M.A., LL.M, LL.D., Ph.D.(Lond.) appointed Chief Executive Designate of the Broadcasting Authority.

The Broadcasting Authority's first qualitative research grant awarded to Dr Joseph Grixti B.A.(Hons.), M.A.(Oxon), Ph.D.(Bristol).

Two Board Members, Mr Lino Mintoff and Mr Charles Mizzi, visit Independent Television News in the U.K.

Authority Chief Executive delivers a paper during the Conference organised by the Ministry of Education on Redefining the Role of Public Broadcasting in Malta.

New security arrangements introduced by the Authority at the Gharghur Transmitting Station.

**February** Party Political Broadcasts Scheme for 1999 launched.

**March** Local Council Elections: Broadcasting services advised of impartiality requirements concerning matters which may influence voters.

Party Political Broadcasts: Authority suspends scheme after the Malta Labour Party withdraws from two series of political programmes.

The Broadcasting Authority adopts a new procedure to deal with programme complaints.

Four Broadcasting Authority members sue Sunday newspaper and opinion writer for libel over article concerning the replacement of a TV programme slot.

Radio and Television audience survey results for Winter quarter 1999 announced.

Broadcasting Authority reconstituted for another three-year term. Two new members, Ms Rose Sciberras and Dr Reno Borg, appointed in lieu of Dr Dominic Fenech and Mr Charles Mizzi whose term of office expired on 31 March 1999.

**April** Broadcasting Authority Chairman, board members and senior staff pay courtesy visit on the newly appointed President of Malta.

The Broadcasting Authority withdraws a 1997 law suit against Public Broadcasting Services Limited after the station settled a Lm3,500 fine



for failing to observe directives issued by the Authority.

Smash TV granted a conditional broadcasting licence to transmit terrestrially on UHF channel 44 from Dwejra.

Broadcasting Authority assumes responsibility for the ownership and operation of master antenna facilities at the Gharghur Transmitting Station.

May New rules announced for the fifth edition of the Broadcasting Authority Programme Awards.

Ninth EPRA meeting of European broadcasting regulators held in Vevey, Switzerland. The Authority which is a founder member of EPRA was represented by the Chairman, the Chief Executive and the Chief Executive Designate.

Launching of Broadcasting Authority web page - [www.ba-malta.org](http://www.ba-malta.org) - on the internet.

Appointment by the Broadcasting Authority of Advisory Committees on:

- Advertising and other Economic Issues
- News and Current Affairs
- Quality and Ethics in Programming
- Technology in Broadcasting
- Gender Issues

June Live FM radio station disconnected from master antenna installation at the Għargħur Transmitting Station due to non observance of payment requirements laid down by the Radio Broadcasting Services (Master Antenna) Regulations, 1999.

July EBU General Assembly meets in Berlin. Authority represented by a delegation consisting of the Chairman, Chief Executive and Chief Executive Designate.

Broadcasting Authority Annual Report for 1998 laid on the Table of House of Representatives.

Broadcasting stations urged by the Authority to take all possible action to avoid interruption of broadcasting services due to the millennium bug.

August Broadcasting Authority warns Super 1 Radio over Manwel Cuschieri's phone-in programme.

Television Broadcasting in Malta - In-house Seminar organised by the Broadcasting Authority for TV stations.

Max Media Entertainment Ltd. applies for a licence to broadcast an entertainment channel daily on the cable television system.

**September** Broadcasting Authority Foundation Day - Commemoration of the 38th anniversary of the setting up of the Authority.

**October** The Civil Court, First Hall, overturns a warrant of prohibitory injunction issued against the Authority in May 1998 to stop further UHF transmissions from the Gharghur Transmitting Station.

Athens meeting of European Platform of Regulatory Authorities. The Authority was represented by its Chairman and the Chief Executive Designate.

The Authority investigates Pjazza 3 programme on trials by jury and fines PBS Ltd. the sum of Lm500. The Authority also orders the broadcast of a balancing discussion programme on TVM.

**November** Cable television broadcasting licence issued to Max Media Entertainment Ltd.

Court of Appeal decides in favour of Broadcasting Authority plea that appeal lodged by Gozo Cathedral Church on community radio licence refusal was time barred.

**December** Radio and Television Autumn Audience Survey results announced.

World Summit for Regulators - Authority represented by its Chief Executive Designate at the Paris conference which considered the regulation of the internet.

Mr Alfred Mallia Milanes attended the European Institute for the Media's 11th European Television and Film Forum.

The Broadcasting Authority Programme Awards Ceremony for 1999 held.

Live FM appeals to the Court of Appeal from the Authority's decision not to renew its sound broadcasting licence.

Mr Antoine J Ellul retires from the office of Chief Executive.





## 1. Message from the Chairman



*Professor Joseph M. Pirotta  
Chairman*

The surveys conducted by the Authority during 1999 affirm quite clearly what had always been said but not scientifically proved, that overall local productions tend to be more popular than imported ones. The surveys, however, established something else: that the loyalty of the majority of viewers appears to be towards programmes rather than stations. This trend should provide additional incentives to local programmers, especially the independents, to provide the public with the quality it deserves.

Not that quality and popularity are necessarily fellow travellers, but neither are they necessarily strangers to each other. This year's Broadcasting Authority awards underlines the truth of this statement. We saw some quite popular programmes being cited for excellence. Two other factors stood out on Awards Night: the keen competition in some categories where the quality was truly commendable; and the dearth of quality programming generally in others. Within this negative appraisal fall televised drama and light entertainment; sports and investigative journalism on radio; and children's, magazine and discussion programmes on both mediums.

The emphasis that the Authority places on raising programme standards is an integral part of its mission statement, easily summarised as a commitment to act in the public interest. In this regard, it is worth drawing attention to the fact that the functions of the Authority are regulated not only by the Constitution but also by the Broadcasting Act, 1991. The Authority is very conscious that both legal instruments impose onerous obligations and responsibilities. Equally worth noting is that the Authority's constitutional functions are not limited to public broadcasting but apply to all locally originated broadcasts. Similarly, the Broadcasting Act applies equally to all broadcasters with two exceptions. These are that the public broadcaster is obliged to consult the Authority when drawing up its programme schedule, and that the public broadcaster is not allowed to exercise an editorial opinion. That is the legal framework within which the Authority operates with an even hand. It must, does, and will continue to act in this manner unless legal amendments are approved that decree otherwise. It is very much in the public interest, not in the Authority's, that all stations comply with the law.

A major upgrading of the monitoring department was started during 1999 and will be completed early in the new year when the first and second phases of the Authority's I.T. programme will be in place. The upgrading of the monitoring department also involved a small expansion of its human resources accompanied by an internal re-organisation. This department will be further strengthened through extended training programmes during the coming year. When one keeps in mind that this department's role is closely linked to the Authority's key



constitutional function, then one easily understands the emphasis that the Authority places on raising the competence of its staff and rendering the department more efficient.

The various sub-committees set up on an advisory level by the Authority have started to function well. They have compiled a series of in-depth reports and have made recommendations that the Authority is in the process of analysing. The Authority will take all the necessary action once evaluation and discussion are complete.

During the year 2000 the upgrading exercise at the Gharghur site should be completed. This was taken in hand simultaneously with the assumption by the Authority of the running of the master antenna system. Steps have already been taken to tighten security, to embellish the area and to provide the facilities for making automatic generator switch-on easier. The last phase will constitute an overhaul of the tower structure so that it will be able to provide additional facilities as and when required.

The coming year should also see the publication of the first qualitative survey commissioned by the Authority. The subject concerns the impact of the broadcasting media on children up to the age of fourteen. The social and educational findings should help us establish whether the claims often made regarding the effect of television and radio are accurate or not. They should further help us to identify existing problems and to address them.

The Authority will soon celebrate its fortieth year. The experience gained through the years as it sought to carry out its constitutional functions, often in the face of unjust but well orchestrated onslaughts, will enable it to continue to act solely in the public interest.



Professor Joseph M. Pirotta



## 2. Review of the Year by the Chief Executive

### 2.1 Introduction: Mission Statement



*Dr. Kevin Aquilina  
Chief Executive*

The Broadcasting Authority's Mission Statement aims to:

- Ensure the preservation of due impartiality in respect of matters of political or industrial controversy or relating to current public policy.
  - Fairly apportion broadcasting facilities and time between persons belonging to different political parties.
  - Select and appoint radio and television station licensees and contractors.
  - Monitor these stations and regulate their performance in terms of their legal and licence obligations.
- 
- Ensure that the system consists of public, private and community elements that offer various and comprehensive programming to cater for all interests and tastes.

The Authority's aim is to help the Maltese public better understand how its values and diversities shape our unique personality. It does so by regulating the broadcasting services in open flexible ways to foster creative and better programming. Its motto is:

"Communication in the Public Interest"

### 2.2 The Broadcasting Authority

Radio and television broadcasting services in Malta are under the supervision and control of the Broadcasting Authority. Established in September 1961, the Broadcasting Authority is a constitutional body currently composed of a Chairman and four Members, all appointed by the President of Malta on the advice of the Prime Minister after the latter would have consulted the Leader of Opposition.





During the year under review, the Authority was composed as follows:

The Authority on 31 December, 1999

Chairman

Prof. Joseph M. Pirotta B.A., Ph.D. (Reading)

Members

Dr Reno Borg B.A.(Hons.), M.A., LL.D.

Mr Alfred Mallia Milanes

Mr Lino Mintoff B.A. (Gen), B.A (Hons) Soc

Mrs Rose Sciberras B.A., L.P.

Chief Executive

Dr Kevin Aquilina MA, LL.D., LL.M.,  
Ph.D.(Lond)

Secretary to the Board

Mr Edgar P Cassar



*From left to right:*

*Dr. Kevin Aquilina, Mrs. Rose Sciberras, Dr. Reno Borg, Prof. Joseph M. Pirotta, Mr. Lino Mintoff, Mr. Alfred Mallia Milanes, Mr. Edgar P. Cassar*

Both Dr Dominic Fenech and Mr Charles Mizzi served the Authority as members up till 31st March 1999. They were subsequently replaced with effect from 1st April 1999 by Dr Reno Borg B.A. (Hons), M.A., LL.D., and Mrs Rose Sciberras B.A., L.P.

The Broadcasting Authority, during 1999, met on 38 separate sessions of an average duration of four hours each. Business conducted during these meetings included inter alia station licensing, programme complaints, approval of policy documents on renewal of licences and guidelines for the operations of community radio services, recruitment of staff, and an information technology plan.

Further details about such matters are provided in subsequent sections of this report.

The Authority on 1 February, 1999



*Sitting from left to right: Mr. Charles Mizzi, Mr. Lino Mintoff, Prof. Joseph M. Pirotta, Dr. Domnic Fenech and Mr. Alfred Mallia Milanes.*

*Standing from left to right: Dr. Kevin Aquilina, Mr Antoine J. Ellul and Mr. Edgar P. Cassar*

## 2.3 Broadcasting Advisory Committees

Section 33 of the Broadcasting Act lays down that:

“The Authority may appoint, or designate any organ, as advisory committees to give advice to the Authority and to any person providing broadcasting services in Malta, on educational and religious matters, on standards of conduct in the advertising of goods or services, and on such other matters as the Authority may determine”.

In the light of the above provision of law, the Authority has appointed five advisory committees in order to advise it with regard to various broadcasting matters. These committees are in a better position to consult with the grass roots and the persons directly involved in the sector concerned. The five consultative committees deal with (1) Broadcasting Technology; (2) Quality and Ethics in Broadcasting; (3) Advertising and other Economic Factors; (4) News and Current Affairs and (5) Gender Issues. Their terms of reference and composition are as follows:

### 2.3.1 Advisory Committee on Technology in Broadcasting

#### Terms of Reference:

(i) To advise the Authority on any measures which need to be taken to take advance notice of, and to keep pace with, developments in broadcasting technology which will give listeners and viewers the potential for a variety of choice and increased control over their listening and viewing;

(ii) to recommend to the Authority the phases and time table which may be necessary in the implementation of any changes such as the introduction of the digital process in broadcasting; and

(iii) to advise the Authority on the regulatory aspects of these developments.

#### Composition

**Chairperson:** Mr Joe Bartolo  
**Members:** Mr Andrew Psaila  
Mr Joe Spiteri.



### 2.3.2 Advisory Committee on Quality and Ethics in Broadcasting

#### Terms of Reference

(i) to advise the Authority on programme standards on radio and television and, in particular, on measures which need to be taken to raise the level of programming on public service and on commercial broadcasting media;

(ii) to consider and report to the Authority on the need for programme guidelines





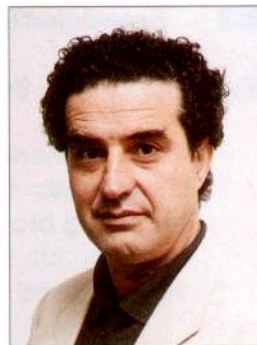
to ensure good taste in locally transmitted programming;  
and

(iii) to advise the Authority with regard to the appearance of particular trends that go against good taste and decency.

#### **Composition**

**Chairperson:** Dr Dominic Fenech B.A. (Hons), D.Phil. (Oxon)

**Members:** Ms Mary Anne Lauri  
Mr Noel Agius and  
Mr David Pace.



### **2.3.3 Advisory Committee on Advertising and other Economic Issues in the Broadcasting Media**

#### **Terms of Reference:**

(i) to advise the Authority on any revision of the Code of Advertising Standards and Practice which may be necessary both in view of Malta's entry bid to the European Union and, also, in the light of implications arising from an expansion of the broadcasting services;

(ii) to advise the Authority on the measures it should take, within the legislative framework, to ensure adequate consumer protection; and

(iii) to draw up a code of advertising ethics for the broadcasting media which would take into account fair trading aspects.



#### **Composition**

**Chairperson:** Dr Paul Micallef LL.D., M.Jur. (Birm.)

**Members:** Mr Anthony J Tabone  
Mr Marcel Pizzuto.

### **2.3.4 Advisory Committee on News and Current Affairs**

#### **Terms of Reference:**

(i) To draw up and submit for the Authority's consideration an overall plan designed to bring about an improvement in the present output of news and current affairs programming on public service and commercial radio and television stations;

(ii) to revise and up date the present codes of standards and practice in this specialised area of broadcasting; and

(iii) to advise the Authority with regard to the appearance of particular trends that go against good journalistic practice and standards in news and current affairs programming.

**Composition**

**Chairperson:** Mr Charles Mizzi  
**Members:** Mr Joe Vella  
Mr Ray Bugeja  
Ms Pamela Hansen  
Mr Tonio Farrugia.

**2.3.5 Advisory Committee on Gender Issues in the Broadcasting Media****Terms of Reference:**

- (i) To advise the Authority on the adaptation of guidelines concerning gender images in programme content;
- (ii) the possible preparation of contact lists of women experts for use by producers in the area of news and factual programming;
- (iii) the preparation of guidelines on the use of generic terms which include both sexes; and
- (iv) the introduction of equality of opportunity as a requirement in the granting or renewing of broadcasting licences.

**Composition**

**Chairperson:** Ms Brenda Murphy  
**Members:** Dr Mario Felice  
Ms Lorraine Mercieca  
Ms Angela Callus  
Rev. Dr. Renè Camilleri.

**2.4 Supervision and Regulation**

The Broadcasting Authority is a regulatory body whose functions are principally set out in the Constitution of Malta and in the Broadcasting Act, 1991. In terms of the former, the Authority is responsible to ensure that, so far as possible, in such sound and television broadcasting services as may be provided in Malta, due impartiality is preserved in respect of matters of political or industrial controversy or relating to current public policy and that broadcasting facilities and time are fairly apportioned between persons belonging to different political parties. Apart from its regulatory duties under the Constitution, the Authority is also responsible inter alia in terms of the Broadcasting Act 1991 :-

- (a) to issue broadcasting licences for radio and television services throughout Malta; and





- (b) to monitor the performance of the stations in terms of Constitutional requirements, the provisions of the law and of the relevant broadcasting licences.

## 2.5 Courtesy Visit to HE the President of Malta

On 26th April, 1999 the Chairman Prof. Joseph M Pirotta, Mr Lino Mintoff, Mr Alfred Mallia Milanes, the Chief Executive, the Chief Executive Designate and the Secretary to the Board paid a courtesy visit to His Excellency Prof. Guido De Marco LL.D., President of Malta, who is responsible for appointing the members of the Authority. During the meeting the President was briefed on the latest developments in the broadcasting landscape as well as of the Authority's activities.



*From left to right: Mr. Alfred Mallia Milanes, Mr. Edgar P. Cassar, Mr. Antoine J. Ellul, Mr Lino Mintoff, Prof. Joseph M. Pirotta, H.E. Prof. Guido de Marco, Dr. Kevin Aquilina*

## 2.6 Information Systems Strategic Plan

The Broadcasting Authority's aim during the year under review was to prepare a Systems Strategic Plan aimed at identifying how technology can support current and future operations to permit more efficient and effective business results. For this purpose a tender was issued for the engagement of an IT consultant. PriceWaterHouseCoopers was subsequently requested to draw up the said Plan. The Plan covered four stages: Phase I identified the Authority's needs; Phase II dealt with the various business processes particular to the Authority that may be supported by information-technology; Phase III of the exercise dealt with the drawing up of an Information Systems Strategic Plan. The IT Plan identified how technology could support current and future operations to permit more efficient and effective business results; finally, Phase IV dealt with Systems Implementation, that is, it identified the stages involved and made suggestions for successful implementation of the plan.

After the Information Systems Strategic Plan was approved by the Authority, a

call for tenders was issued to implement Phase I of the Strategic Plan. Indeed, the said plan provided for three distinct parts dealing with (a) infrastructure (b) software and (c) internet, e-mail and fax gateways. A tender was issued for the infrastructure part of the project in late 1999 and will be awarded in the year 2000.

## 2.7 The Authority's Web Page

In May 1999, the Broadcasting Authority launched its web page on the internet which is now accessible from the entire world wide web. It is now possible to learn more about the Authority's functions and activities through its web page. In order to reach the site, one would simply have to type in: **www.ba-malta.org**.

As to the contents of the Authority's web page, the following information about the Authority is easily accessible to the browser:

- the Authority's mission statement;
- the Authority - its composition and functions under the Constitution and the Broadcasting Act;
- the Authority's latest Annual Report;
- Programme Complaints - The Authority's Procedure for dealing with Programme Complaints and the Complaints Bulletin;
- Press Releases - a selection of the most important press releases and the Application form for a Licence for a Community Radio Station which can be sent via the web page;
- Programme Awards Rules;
- Codes and Guidelines:
  - Code for Advertisements and Sponsorships
  - Guidelines for News Broadcasts
  - Guidelines on Current Affairs Programming on all Broadcasting Media;
- Broadcasting in Malta - a history of the evolution of broadcasting from a monopolistic to a pluralistic system; and
- comments and feedback page.

The web page has also a feedback function that enables members of the public to communicate with the Authority through the webpage in order to send in their comments. It is also possible to download a copy of the community radio licence application and to send it to the Authority via the webpage.



*Press conference held in May 1999 during which the Authority's web page was launched.*

*From left to right: Mr. Kenneth Bone, the designer of the web page, Mr. Alfred Mallia Milanese, Prof. Joseph M. Pirota, Mr. Antoine J. Ellul and Dr. Kevin Aquilina*





### 3. Station Licensing

#### 3.1 Television Regulation

During 1999, the Authority issued a television licence to Smash Communications Ltd, the owners and operators of Smash TV, to transmit terrestrially on UHF Channel 44. This television broadcasting service continues to be carried on Cable TV.

#### 3.2 Cable Television Regulation

Max Media Entertainment Ltd. submitted a formal application for a cable television broadcasting licence in August 1999. In view of the speculation and controversy which this matter had stirred up, the Authority publicly stated that it was considering the application which involved the setting up of a channel on the cable television system. Brief details about the proposed programming, and the Authority's evaluation process were also publicly announced.

Applicant Company had declared in writing to the Authority that following negotiations with Melita Cable plc., the cable operator had already allocated the use of channel 18 to Max Media Entertainment Ltd. for transmissions on a daily basis between 0700 and 2030. Applicant Company also made it clear that it was not its intention to broadcast terrestrially.



#### 3.3 New Programme Services and Technological Developments

In the early days of pluralism in broadcasting when the only means of programme delivery in Malta was through terrestrial channels, the Authority had decided that applicants for broadcasting licences should, in most cases, provide the traditional form of programming consisting of information, entertainment and education. Over the last nine years, the local cable TV situation developed into a multi-channel network with niche programming catering for a variety of particular tastes. Thus cable television carries channels exclusively devoted to news, sport, entertainment, natural history, feature films, television series, music, factual programming and documentaries, etc.

Apart from the technological advancement which makes this proliferation of channels possible, shifting consumer attitudes and rising public demand for choice in entertainment services both merited a change in the Authority's policy on programming. This deviation from normal policy on the grounds that the



scarcity of resources argument which is still valid for terrestrial television does not apply to cable TV. A channel on cable television devoted exclusively to locally originated entertainment programmes tends to blend well with the other types of programmes offered in this multi-channel environment.

### **3.4 Sound Broadcasting Regulation**

During the year in review, the Authority also approved the renewal of two sound broadcasting licences, namely those of Island Sound and Bay Radio. These stations were licensed by the Authority in 1991 for a period of eight years. On the other hand, Life FM's sound broadcasting licence was not renewed by the Authority and an appeal from the Authority's decision was lodged to the Court of Appeal in December 1999. The appeal is still pending before the Court of Appeal at the time of writing.

### **3.5 Satellite Broadcasting**

Consultations were also held between the Authority and the Telecommunications Regulator concerning the granting by Government of a licence to broadcast via satellite.

In March 1999, enquiries were made with the Broadcasting Authority as to the procedure to be followed in applying for a satellite broadcasting licence. In August 1999 a formal application was made by a newly set up company, www.travel, for a broadcasting licence for overseas digital satellite television and digital interactive HTML contents broadcasting service. Following consultations with the Government, the relative application was referred to the Ministry for Transport and Communications for approval by the Telecommunications Regulator. The Authority was informed that the station had been granted permission to start test transmissions and that the licence had to be granted when the negotiations between the Regulator and the Company had been finalised.



## 4 Community Radio Services

The Authority's Annual Report for 1998 included a section dealing with plans for the launching of the Authority's revised policy on community radio services

The Authority decided that a tighter definition of community radio was necessary in order to keep these services from duplicating the programming and encroaching on the sources of advertising revenue of the larger and much more expensive to run nationwide radio stations. The following definition was adopted:

"A community radio station is characterised by its ownership and programming and the community it seeks to serve. The station should be owned and controlled by a non-profit making organisation whose statute provides for membership, management, operation and programming primarily by members of the community in which the station is located. The station's programming should be based on community access and should reflect the special interests and needs of the listenership it is licensed to serve."

Apart from the community radio licences which are issued for one-off events, semi-permanent licences regulate transmissions from six community radio stations which are actually operating. These are:

Stations	Point of Transmission	Signal Strength
Radio 106	Rabat	3 Watts
Deejays Radio	Kappara	3 Watts
Radju Kottoner	Bormla	2.8 Watts
Lehen il-Qala	Qala	2 Watts
Radju XEB-ER-RAS	Valletta	3 Watts
Eden Radio	Zejtun	2 Watts

### 4.1 Programming

Experience over the last six years suggests that development of a viable community broadcasting system depends on stations providing a uniquely local forum of communication between individuals and groups within the community served. The Authority is of the opinion that community broadcasters should understand that they are likely to be most successful when they endeavour to



provide new services which will add to the diversity of programming available, rather than duplicating the format and content of existing services.

Prospective applicants of community radio services are being asked to set out the station's programme policy and detail their plans to facilitate and promote community participation. Statements are expected to include clear commitments in relation to speech/music ratio. Any subsequent changes will require advance Authority approval.

## **4.2 Advertising Revenue**

In an effort to emphasise the purely local character of community radio with its 2.5 Km service radius, the Authority decided that stations may only broadcast advertising which relates to:

- work opportunities which exist in the licensed transmission area
- events which are to occur in the specified area
- business carried out in the specified area
- services which are delivered in the specified area

## **4.3 Development of Community Radio**

The Authority approved in August 1999 a community sound broadcasting licence to Eden Foundation and Christian Light Foundation. Eden Foundation's community radio service is known as Eden FM Radio and broadcasts on frequency 107.6 MHz. The station transmits 4 to 5 hours daily and does not broadcast community news. The relative licence was issued on 17th November, 1999. As to Christian Light Foundation's sound broadcasting licence, although the Authority had approved such licence in August 1999, the relative licence has not yet been issued as the Foundation was still, by the end of 1999, in the process of purchasing the relative equipment. Christian Light Radio will broadcast mainly religious, non-denominational songs interspersed with 3-minute speech items covering home and shopping, business and leisure as well as family affairs.

An application was also received by Radju Sacro Cuor for a two year community radio licence. This was however rejected by the Authority in October 1999 as the said applicant did not meet the Authority's policy as to community support above-mentioned.

The Authority received 2 longer term community radio service applications from Victoria, Gozo, one from the Cathedral Chapter and another from St. George's Basilica. The former radio station's designation was Radju Belt Victoria while the latter's station name was *Lehen il-Belt Vittorja*.



The Authority decided to withhold the issue of these broadcasting licences as both community radio stations had applied to broadcast to the same community using very similar station identification. The Authority was however still willing to reconsider its decision for a community radio service in Victoria, Gozo, if a joint application were to be made by the Cathedral Chapter and St. George's Basilica for one community radio service which would cater for the requirements of the listeners they both intended to serve.

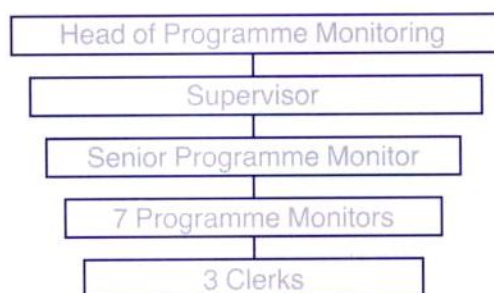




## 5 The Programme Monitoring Department

The Programme Monitoring Department is entrusted with the duty of monitoring radio and television stations licensed by the Authority. The role of programme staff when monitoring radio and television programmes is one of special responsibility. Programme monitors are the eyes and ears of the Authority through whom it is able to exercise uninterrupted vigilance. This work requires broad general knowledge, sound judgement and a sensitivity to taste. It is also essential for Programme Monitors to have a thorough knowledge of broadcasting legislation, the conditions attached to broadcasting licences and the Authority's current programme policy. During 1999, the Authority undertook an operations review and a restructuring exercise of the said Department.

The organisational structure of this Department is as follows:



### 5.1 Basic Monitoring Criteria

Monitoring is carried out selectively both during a normal working day and in the evening, when staff is required to perform extra duties on the three main television stations. Priorities for the selection of areas of programming to be monitored are laid down at Authority level. Selective monitoring normally covers main areas of programming such as News, Current Affairs, Discussions and Phone-in programmes. A twofold analysis of programme content on each station, for the purpose of Promise of Performance is performed each year.

Monitors are asked to report on aspects of broadcasting, taking into consideration the relevant sections of the Constitution, the Broadcasting Act 1991 and other interrelated codes. The issue of immediacy is one of great importance when performing monitoring duties. Particular programmes are monitored off air whereas others, of a less critical nature, are monitored through tape. In both cases reports are handed in immediately following the monitoring session so that appropriate action is taken accordingly.

The objectives behind the various reports compiled in the Monitoring Department, and some information on the way these are done, is treated in the following sections of this report.



## **5.2 News Bulletins**

The sensitivity and importance of News and the need that these are factual and impartial call for a stricter and more systematic method of surveillance by programme monitors.

In addition, one of the clerical staff with special duties within the Department, is dedicated to the compilation of news statistics based on the 8.00 p.m. main news bulletin and the 11.00 p.m. updates, broadcast on T.V.M. These statistics, besides being published in this report, provide supportive information on political and union exposure, item presentation, and a fairly comprehensive list of all local items. All this information is immensely vital when investigating trends and complaints.

## **5.3 Current Affairs**

This programme category is regulated by the Broadcasting Act and subsequent guidelines and codes, and feature most prominently when it comes to freedom of expression, balance and impartiality on matters of political or industrial controversy and current public policy.

In these programmes monitors report on subjects covered and participation during such programmes. Current Affairs issues may be problematic if impartiality and balance are not treated with due sensitivity. Monitors are also required to give a fairly detailed account of programme content and form an opinion on whether or not subjects were fairly presented. Lists of participants and subjects will be kept for analysis and future reference.

## **5.4 Discussions**

Similarly to Current Affairs, monitors report on subjects, participants and content. Other than impartiality these programmes, may suffer from imbalance. This mostly occurs when taking into account the choice of participants and their respective affiliations.

In the case of T.V.M., the public broadcasting service, the law lays down slightly different obligations than those governing private stations. Regulation is stricter on T.V.M. and balance should be achieved more rigorously, during the same series of programmes, and the voices of all the parties concerned should be aired. In this case greater care should be taken so that balance is achieved both numerically - participation in studio, and in time apportionment. Balance on Political stations may be achieved, together as a whole since a slant is allowed.



## **5.5 Phone-in Programmes**

Besides the issues of taste and decency, broadcasters are liable to all the material being conveyed to listeners and viewers alike. In the case of radio, the anonymity factor during phone-in programmes can be highly dangerous when callers or presenters intentionally use the medium to transmit false and serious allegations on public figures or others, and when these tend to encourage and provoke public protest, unrest and disorder.

Without interfering with the issue of freedom of expression, this risk is minimized with the help of the delay mechanism, which every radio station is obliged to maintain according to law. Still, it will always be the responsibility of the presenters to tone down certain arguments and to see that the programme achieves quality and attracts relevant arguments and opinions, and contributes to a mature national debate where political issues are involved.

Monitoring in this field is considered very important and reflects the necessity for responsible broadcasting within a democratic environment. Particular programmes in this category are selected according to the nature of a programme. Normally, politically oriented programmes are treated with great attention and are monitored regularly.

## **5.6 Advertising**

The Third Schedule to the Broadcasting Act, 1991 spells out the regulations governing this aspect in broadcasting. In order to safeguard the consumer's (televviewer and listener) interests, it is the Authority's duty to see that relevant parameters are observed and the law is respected.

Consumers should not be misled and therefore, in principle, all advertising content should be clearly distinguishable as such from other parts of a programme. This Schedule mainly provides for the protection of minors in advertising, regulates advertising for alcoholic beverages, prohibits advertising for cigarettes and tobacco and specifies amounts of advertisements for particular time frames, for both radio and television.

Reporting in this area can take different forms depending on the medium under scrutiny.

## **5.7 Television**

Programmes are selected from respective schedules and monitoring is performed either from tape or off air. Programme monitors will describe programme and advertising content, highlighting irregularities. It may also be necessary to time advertising slots in order to check adherence to existing regulations, in particular the 60 minute per day rule for direct offers, and the 12 minute spot advertising within a one hour period.



## **5.8 Radio**

The same applies to radio except that figures differ, in that, time allowed for spot advertising is augmented to 15 minutes per hour, and there is no such thing as direct offers.

## **5.9 Promise of Performance**

One of the main functions of the Authority, besides being the regulator of broadcasting in general, is the issuing of Broadcasting Licences. This in itself, besides vetting of all applications, implies the regular monitoring of programme schedule and content in order to check whether stations are in fact, in compliance with proposed programming patterns. This monitoring exercise is referred to, in this report, as Promise of Performance.

In order to obtain an average idea of programme output, this exercise is performed twice a year (January - March and July - September). This exercise becomes more and more vital when the renewal of a broadcasting licence falls due.

In their reports monitors check originally proposed programme patterns by the station. They analyse current programme schedules, in order to be able to draft percentage totals for each programme category. This follows the verification with actual output, after the physical monitoring of programmes. Promise of Performance reports give details on each programme category with special emphasis to News, Current Affairs and Discussion programmes, together with Phone-in and Advertising content.

## **5.10 Programme Complaints**

During 1999 the Authority adopted a new procedure in dealing with complaints by introducing a system where complainants and representatives of the stations were asked to attend and present their evidence at hearings held by the Authority.

A total of twelve complaints were investigated by the Authority, representing a considerable decrease over the previous year's figures which also took into account fifty-seven complaints made during the 1998 electoral campaign. Out of the twelve complaints dealt with by the Authority, five were upheld, three partly upheld and the rest rejected.

The majority of complaints investigated by the Authority concerned unfair treatment in news broadcasts by PBS and the sources of these complaints ranged from political parties and government departments to public corporations and private companies. The nature of other complaints concerned balance and impartiality in programmes having a political content and programmes held to be offensive to taste and decency with regard to discussion and phone-in



programmes.

The following two tables illustrate the sources of complaints and the stations involved:

**Table 1 - Complaints analysed by Source**

Source	Number	Adjudication Results		
		Upheld	Partly Upheld	Rejected
Malta Labour Party	5	3	-	2
Alternattiva	1	-	1	-
Malta Freeport	1	-	1	-
Ministry for Social Policy	1	-	-	1
Ministry of Justice & Local Govt.	1	-	1	-
Autosales Ltd.	1	-	-	1
Chief Justice	1	1	-	-
Prime Minister	1	1	-	-

**Table 2 - Complaints analysed by Station**

Station Involved	Number	Adjudication Results		
		Upheld	Partly Upheld	Rejected
TVM	8	3	2	3
TVM & NET TV	3	1	1	1
Super 1 Radio	1	1	-	-





## **6 International Relations**

The Authority is a member of:

- (a) The European Platform of Regulatory Authorities (EPRA).
- (b) The Mediterranean Network of Media Regulatory Authorities.
- (c) The European Broadcasting Union.
- (d) The Commonwealth Broadcasting Association.
- (e) The European Institute for the Media.

### **European Platform of Regulatory Authorities**

The European Platform of Regulatory Authorities (EPRA) was set up in 1995 during a meeting held in Malta and has the following primary functions:

- It provides a forum for informal discussion and exchange of views between regulatory authorities in the broadcasting media.
- It constitutes a forum for exchange of information about common issues of national and European media regulation.
- It also encourages discussions and seeks to find practical solutions to legal problems regarding the interpretation and application of media regulation.

### **6.1 Ninth Conference**

The ninth meeting of EPRA was attended by over 60 delegates from 27 member countries. The Authority, which is a founder member, was represented by the Chairman, the Chief Executive and the Chief Executive Designate. Two other Mediterranean countries, Italy and Cyprus, became EPRA members during 1999.

EPRA has established a reputation for useful discussions of regulatory issues and the consideration of practical solutions. The ninth session was no exception and delicate subjects like Sex on Screen: The Parameters of the Permissible and The Protection of Minors in the Digital Environment were dealt with fairly thoroughly through the presentation of video examples. Delegates gave an appraisal of problems raised during presentation on these topics.

### **6.2 Taste and Decency**

All regulatory authorities monitor the portrayal of sex on television with the exception of the Austrian, the Irish, the Swiss (Independent Complaints Commission) and the Slovenian bodies. These bodies do not monitor the portrayal of sex as they are exclusively acting on the basis of complaints or



reports dealing with the infringement of the relevant sections of their broadcasting legislation. Malta, of course, has a definite obligation under section 13(2)(a) of the Broadcasting Act to ensure that programmes observe "good taste and decency". These are widely interpretative terms and it is left at the Authority's discretion to take what action may be considered appropriate. In the vast majority of countries, Malta included, the same legal provisions apply for terrestrial and cable or satellite TV although the cable and satellite modes of transmission are mainly pay channels and not generally available to the public. This may emphasise the need for the introduction of a rating system for TV programmes. According to this system, programmes are labeled (during their whole duration) with an appropriate sign indicating their non-suitability for children.

### **6.3 Digital Television**

The conference also considered the development of the different forms of digital TV in Europe. On a technical point of view, this system is more than a method of delivery as the digital revolution brings together information technologies that until now are considered as distinct, i.e. television, radio, telephone, computer and print media. Digital TV is, therefore, the basis for a variety of new services.

In Malta, PBS Ltd has installed digital television transmission equipment but this is merely the first step in a long and expensive process which will eventually require a complete change of TV sets. Most European countries have decided on the year 2010 as their analogue switch-off date.

### **6.4 Tenth Meeting of EPRA**

Prof. Joseph Pirotta and Dr. Kevin Aquilina participated in the tenth meeting of the European Platform of Regulatory Authorities held in October 1999 in Greece. The meeting discussed the EPRA's budget for the forthcoming year, approved the creation of an EPRA website and discussed the possibility of issuing EPRA publications. An amendment was also made to the EPRA Statute to provide for 2 posts of Vice-Chairman instead of the current one.

The role of the regulator in the converging landscape was discussed at length and two papers on this subject were presented by the Norwegian Mass Media Authority and by the Swiss Independent Complaints Commission.

Two working groups were also held. One dealt with the regulation of public service broadcasting which was chaired by Prof. Joseph Pirotta and the other concerned teleshopping. In both cases a paper was presented by the National Broadcasting Council of Poland on the first theme and by the Dutch Commissariaat voor de Media on the second subject. Both papers were compiled following two questionnaires addressed to all EPRA members. The Authority had answered both questionnaires and its answers were all incorporated in both reports.



A presentation by the British Independent Television Commission on the Regulation of Interactive Services on Television followed. The French Regulatory Authority (the CSA) gave members an overview of the reactions to members' papers on the regulation of audiovisual services on the Internet. When the French paper is finalised it will be distributed to all EPRA members.

Developments taking place in the field of broadcasting under the auspices of the Council of Europe were communicated to members by the Council of Europe representative.

## **6.5 World Summit for Regulators**

On Tuesday 30th November and Wednesday 1st December 1999 the Chief Executive Designate attended the World Summit for Regulators organised by the French Conseil Supérieur de l'Audiovisuel (CSA). The main theme of the summit was the internet and the topics discussed during the World Summit related to the following:

- regulation, self-regulation and co-regulation
- the fields in which regulation may be needed
- co-regulation: a pragmatic solution?
- Social disparities in access and use of the internet
- Public action: regulation or economic incitement.

The main thrust of the speeches delivered during the World Summit was in favour of the regulation of the content of the internet. Indeed, few were those speakers who held a different view. The problem which, however, remained, was how does one regulate the internet due to its transboundary nature.

The main points made during the World Summit may be summarised as follows:-

- The internet is becoming, as time passes, wider. It is spreading throughout the whole globe.
- A new economy is arising out of the internet.
- Information society is on the agenda of several governments.
- The internet is unequal and inaccessible to many.
- Currently the Americans are dominating the internet.
- A typical internet user is a young male with a good educational background.
- The internet should serve the common good - it should provide an educational medium, be an instrument of training and an instrument of exchange (e-commerce and cultural exchange).
- It has however negative aspects: spreading of hate literature, gambling, criminal activities, paedophilia, money laundering etc.
- It needs to be regulated: there was, as stated above, a unanimous answer in favour of regulation. There can be no democracy without law.



- It provides a communality of principles which serve as guidelines: the principle of subsidiarity- you intervene only when necessary, the principle of internationality - you need an international approach to regulate the internet, principle of universality - there should be universal access to the internet; principle of differentiation - all cultures should be preserved.
- The internet contributes towards globalisation and brings civilisation of the universe.

## **6.6 European Broadcasting Union's 50th Ordinary Session**

Prof. Joseph M Pirotta, Mr Antoine J Ellul and Dr Kevin Aquilina participated in the European Broadcasting Union's 50th Ordinary Session of the General Assembly held at Berlin on 2nd to 3rd July 1999. The Maltese delegation attended the whole Assembly which discussed the EBU's Secretary General's report, reports by (a) the Television Committee; (b) the Radio Committee; (c) the Legal Committee; and (d) the Technical Committee. Other items discussed during the Assembly were EBU relations with European institutes, Eurosport and Euronews, the EBU's human resources and finances and other related items.

## **6.7 European Television and Film Forum**

Mr Alfred Mallia Milanes represented the Authority during the 11th European Television and Film Forum held in Prague from 2nd to 4th December 1999. The theme of the Forum focused on the subject, "Global and Local: the choices facing the European Audiovisual Industry" and was organised by the European Institute for the Media.

## **6.8 Mediterranean Network of Media Regulatory Authorities**

Prof. Joseph M. Pirotta and Dr. Kevin Aquilina attended the meeting of the Mediterranean Network of Media Regulatory Authorities which was held in Lisbon between 22 and 24 September, 1999.

The Mediterranean Network of Media Regulatory Authorities was established on the 29th November, 1997 in Barcelona at the initiative of the French regulatory authority (the Conseil Supérieur de l'Audiovisuel) and the Catalan regulatory authority (the Consell de l'Audiovisual de Catalunya). Apart from these two regulatory authorities, the Mediterranean Network comprises the Greek, Italian and Portuguese regulatory authorities.

Malta had been invited by these five regulatory authorities to participate during the Lisbon meeting with a view to joining the Network. The Maltese delegation presented a paper during the said meeting which detailed the Authority's regulatory functions.

The Maltese delegation participated actively in the proceedings and had to answer various questions, put by the five Network members on its functions.

At the end of the meeting Malta, together with Turkey and Cyprus, joined as full members of the Network.





## 7. The Authority's Staff

The Authority has a staff of 24 persons consisting of managerial, administrative and financial, programme monitoring, secretarial and supporting grades.



During the year, a Supervisor, a Senior Programme Monitor and two Programme Monitors were appointed in the Monitoring Department; a Communications & Research Officer, a Personal Secretary and a Technical Officer were appointed in the Administration Department and one member of staff was assigned the duties of an Information Technology Systems Administrator.

On the other hand, 1999 brought to an end a successful career of Mr Antoine J Ellul, the Authority's Chief Executive. The Authority extends its gratitude and offers its best wishes to its former Chief Executive.



The Authority is divided into four divisions:-

- (a) the Office of the Chief Executive
- (b) the Administration Department
- (c) the Finance Department
- (d) the Programme Monitoring Department.

### 7.1 Staff Relations

1999 saw the introduction by the Authority of a performance appraisal system. In addition, job descriptions were formulated and distributed to all members of staff in terms of which the exact duties to be carried out by members of staff were identified and listed.

In the meantime, the UHM submitted to the Authority its proposals for a new collective agreement covering the period 2000-2002.



## **8. Relations with Broadcasting Stations**

### **8.1 Television Broadcasting In Malta**

On Friday, 27th August 1999 the Broadcasting Authority organised a seminar at the Radisson SAS, Bay Point Resort, with the theme 'Television Broadcasting in Malta'. Representatives of the Public Broadcasting Services Ltd., Super 1 TV, Net TV, and Smash TV attended.

During the seminar, local terrestrial-television broadcasting stations presented a paper for discussion. The problems being faced by this industry were highlighted and discussed at length and in depth.

At the end of this seminar, participants expressed their satisfaction with the organisation of the seminar. The participants requested other seminars with a more thematic subject. Prof. Joseph M. Pirotta, Chairman of the Broadcasting Authority, thanked the participants for interest and promised that this occasion will not be one of a kind.

### **8.2 Advertising for Alcoholic Beverages**

The Broadcasting Authority carried a review in early 1999 of the situation concerning advertising for alcoholic beverages on the broadcasting media. This exercise resulted in some adverts being found in contravention of certain provisions of the Broadcasting Act.

In a circular letter to all radio and television Station Managers, the Authority pointed out that many traffic accidents and a certain amount of crime were drink-related and care had to be taken to strike a balance between the reflection of drinking as an acceptable social habit and encouragement to its abuse.

The Broadcasting Act lays down the following criteria which must be observed in advertising for alcoholic beverages:

- a) it may not be aimed specifically at minors or, in particular, depict minors acquiring or consuming these beverages;
- b) it shall not link the consumption of alcohol to enhanced physical performance or to driving;
- c) it shall not create the impression that the consumption of alcohol contributes towards social or sexual success;
- d) it shall not claim that alcohol has therapeutic qualities or that it is a stimulant, or sedative or a means of resolving personal conflicts;





- e) it shall not encourage immoderate consumption of alcohol or present abstinence or moderation in a negative light;
- f) it shall not place emphasis on high alcoholic content as being a positive quality of the beverages.

Station Managers were informed that, as from 1st March 1999, advertising which contravened these provisions of the law would not be allowed on television or radio.

In its circular letter, the Authority also drew attention to the dangers of the cumulative effect of repeated references to drinking and encouraged broadcasting services to take extreme care to avoid the appearance of alcohol in programmes intended for children. Stations were advised that for programmes transmitted at other times of the day when children may be present in large numbers, the presence of alcohol in programmes should be very carefully considered.

### **8.3 Advertisements in News Bulletins**

The Broadcasting Authority noted that during news bulletins certain advertisements were being permitted under the guise of news. In particular, the Authority observed that during the news bulletin itself publicity was being given to the latest models of certain cars and even to the latest model of a safety razor. All this went beyond the definition of news value. In certain instances, the price at which car models were being sold was also explicitly mentioned.

Another instance concerned the reporting of films to be screened during the following weekend in the local cinemas.

These types of coverages are not considered as news worthy and a circular letter to all broadcasting stations advised that it would be appropriate if these were to be screened in other sectors of programming but not in news bulletins.

### **8.4 News**

The Broadcasting Authority noted in one of its circular to broadcasting stations that news bulletins contained certain deficiencies. The following points needed to be taken into consideration:

1. News should be factual. It should contain no station comments.
2. Each news item should be readily identifiable at the beginning rather than at the end of the report.
3. Impartiality is retained in controversial subjects or in matters concerning current public policy.
4. News items taken from newspaper sources have to make it amply clear that the source in question is a newspaper.



5. News bulletin should not be used for advertising purposes. News items should be strictly linked to news value.

## **8.5 Advertisements**

In the same circular to broadcasting stations it was stressed over and over again that the following rules had to be observed:

- Advertisements have to be clearly distinguishable as such and recognisably separate from the other items of the programme service.
- Cameras should not focus on products and prizes outside the period allowed by law for advertisements.
- Sport advertising on television is limited up to 12 minutes per hour and only one hour of advertising per day is allowed on television for direct offers.
- The words “messagg promozzionali” should be clearly visible during the whole slot when direct offers are broadcast.

## **8.6 Phone-in Programmes**

Viewers should not be deceived during phone-in programmes. To this effect, it is necessary that:

- (a) They be well informed as to the price of each telephone call when such prices exceeds the normal tariff price.
- (b) A breakdown of the tariff is to be provided when it is stated that part of the relative proceeds will be donated to a philanthropic society.

## **8.7 Protection of Minors**

In another circular issued to all broadcasting stations the Authority drew the attention of such stations as to the wording of a particular advert which was aimed at minors and which contained objectionable wording such as “... .. hate school, I just hate it” and “... I don't care what my mummy and daddy say. I can't stand my teacher ... she's a...” The Authority instructed all stations not to broadcast the advert in question as it violated section 19 of the Broadcasting Act, 1991.

## **8.8 Master Antenna**

Following negotiations initiated by Government during 1998, the Broadcasting



Authority began preparations to take over the ownership and operation of master antenna facilities at the Għargħur transmitting site. The new arrangements came into effect on 1 April, 1999 and were announced through the publication of a Legal Notice in the Government Gazette.

The two main features of the new arrangements were:

- (a) The Broadcasting Authority began to provide transmission and other services from the master antenna. These services include lighting for common areas (excluding electricity consumption by the nation-wide broadcasting stations), security services, periodical surveys, and the maintenance of the master antenna as well as surveys and maintenance of the steel tower, buildings and site.
- b) A nation-wide radio broadcasting service has to pay for the services referred to above, an annual fee of two thousand Maltese liri (Lm2,000) payable to the Authority in advance.

Transmitters of the VHF/FM nationwide sound broadcasting radio service use a master antenna provided by the Authority and located within the Authority's property at Għargħur

In terms of the Broadcasting Act 1991 nationwide radio services are required to make use of master antenna transmission facilities. The Authority is obliged by law to disconnect any station which fails to abide by the payment requirements of Legal Notice No. 63 of 1999 which came into effect on 1st April, 1999. Indeed, in June 1999, the Broadcasting Authority disconnected Live FM from the master antenna installation at the Għargħur transmitting station.

## **8.9 Meeting with PBS Board of Directors**

In March 1999 the Authority met the Board of PBS Ltd. to discuss pending issues between both parties. Matters discussed during this meeting focused upon a Lm3,500 fine which PBS Ltd. had not paid at the time (the fine was subsequently settled and the Authority thereby withdrew the relative court case), innovations in PBS schedule, cost sharing scheme for provision of security services at Għargħur, programme scheduling on Channel 12 and compliance with the Broadcasting Act's regulations on advertisements and sponsorships.

## **8.10 Meeting with TV Stations**

In June 1999 the Authority met representatives of Super 1 TV, NET TV and TVM in order to discuss an internal report drawn up by the Monitoring Department concerning the regulation of advertising. All three stations were informed during an Authority Board meeting of their respective infringements of the Third





Schedule to the Broadcasting Act, 1991 which specifically deals with advertisements. The Authority intimated that with immediate effect it was not permitting any further infringements of the Third Schedule aforesaid and that all stations had to comply with the legal provisions so that a level playing field would henceforth obtain in this sector.

### **8.11 Accuracy in News Bulletins**

A major issue discussed by the Authority was whether it was obliged to consider accuracy in news bulletins.

The Authority, as a regulator, is not always in a position to declare whether facts mentioned in news bulletins are true or false. This heavy responsibility lies with the Head of News or the person acting in that capacity since he/she would be in a position to assess the veracity of any available news material. It is a journalistic principle that if in doubt - check it out. It is also an accepted maxim that the main points of a news item should always be verified so that no contentious or uncertain points are left to chance. Again, all journalists worth their salt know that if the facts can't be checked out, they should be left out.

### **8.12 Legal Aspects**

Section 13(2)(b) of the law lays down that all news given in the programmes (in whatever form) has to be presented with due accuracy. The Broadcasting Act also makes it the duty of the Authority to satisfy itself that, so far as possible, the programmes broadcast by broadcasting licensees comply with this requirement.

The Authority has translated this legal requirement into a contractual condition which is included in all licences both for television and radio services. The Authority which takes this obligation very seriously has also clarified the meaning of accuracy in its Code for News Broadcasts. The following is an extract from the Code:

#### **“Accuracy”**

3.1 This is often more than an question of getting the facts right although that is a primary consideration in the assessment of accuracy. It means making sure that all relevant facts have been weighed. Accuracy is also the separation of facts from comments so that the public is not confused or misled into believing that an opinion, however relevant it might be, is an established fact. This applies in particular to station comment which must be avoided if due accuracy is to be preserved and respected in news bulletins.

3.2 A station's reputation depends on the accuracy of its reporting and on the public's perception of whether its news items seek to reflect the





truth. Producers engaged in the sensitive news area must be prepared to check their sources and seek advice to ensure that their station's reputation for accuracy is not prejudiced".

Apart from the points mentioned above, the Authority's Code continues to emphasise the importance of accuracy in news by including the following cautionary note:

### **"False and Misleading News"**

7.1. It is an offence under the Press Act, 1974 to wilfully and knowingly publish false information that causes or is likely to cause alarm or mischief to the public interest. The Broadcasting Act and broadcasting licences also lay down that news must be accurate. It should be noted that criminal intent is not essential to establish a breach of licence conditions".

Certain provisions of section 13 of the Broadcasting Act may be applied by the Authority after it would have considered programme output by the various broadcasting services **together as a whole**. However the requirement to maintain accuracy in news broadcasts is excluded from this option and it is therefore obvious that all broadcasting services are required to maintain accuracy in their programme output.

## 9. Qualitative and Quantitative Research

### 9.1 Qualitative Research

The Authority has, conscious of the fact that no qualitative survey had been carried out on a national basis in order to assess the effects of broadcasting on various sectors of Maltese society, decided to initiate a 3-year plan which would involve the annual commissioning of a qualitative survey about the effect that a particular aspect or aspects of broadcasting might have on a specific sector of society.



The first survey carried out in 1999 examined and evaluated the effects that violence, sex, advertising and product placement as well as programming strategies had on the attitudes or behaviour of young people under 14 years of age.



With this in mind the Authority issued a call for applications in 1998 and Dr Joseph Gixti B.A., M.A., Ph.D.(Hons),(Oxon), (Bristol) was awarded a research grant of Lm5,000 to carry out the survey and within 12 months present a report to be published by the Broadcasting Authority. All the relative fieldwork was concluded during 1999 and the report was to be presented to the Authority in January, 2000.

Dr Gixti is the author of *Terrors of Uncertainty: The Cultural Contexts of Horror Fiction* (Routledge) which has been widely acclaimed internationally. He has also published a number of papers dealing with various aspects of media studies. Dr Gixti teaches media studies at Massey University, at Auckland, Albany campus, New Zealand.

### 9.2 Audience Surveys 1999

The investigation of listenership and viewership and the public's opinion towards the available and rapidly growing menu of radio and television services, has been regularly undertaken by the Broadcasting Authority since 1990. During 1999, the Authority conducted two radio and television audience surveys. The first survey was conducted between 3 to 9 March 1999 while the second survey was conducted during the 7-day period of 22-28 October, 1999.



As in previous years, the aims of the audience survey were twofold:

- (a) To assess the position of radio and television services in Malta by bringing into focus their listenership and viewership.
- (b) To investigate whether current attitudes towards a set of issues related to broadcasting compare with those of previous years.

Between 1998 and 1999 two new stations started broadcasting: Net TV and Capital Radio. In the meantime, Smash TV began to transmit terrestrially. Max Plus had not begun to broadcast on cable television when the survey was conducted in October, 1999. Once again Live FM could not be included in the radio audience audit as, due to arson in January 1999, it had failed to commence transmissions at the time of the study.

### **9.3 Sample Profile**

As in previous surveys, the multi-stage probability sampling technique was again used to draw the study sample for those aged 18 and over, using the latest publication of the electoral register produced for the elections of Local Councils. This ensured that all residents, whether they were Maltese nationals or not, qualified equally to be selected. An equal number of persons, of both genders, were included for each day of the week to cover those aged 12-17 in the Maltese population since a complete register for this segment of the population is not available. The number so added was matched with the general demographic structure of persons in that age category currently living in Malta and Gozo.



**Table 1 - Sample Profile by Gender**

Age Group	Total %	Male %	Female %
12-17	11.2	11.4	11.0
18-30	21.0	21.4	20.5
31-50	37.1	37.1	37.0
51/65	18.2	18.6	17.8
over 65	12.6	11.4	13.7
TOTAL	100.0	100.0	100.0
N=	1001	490	511
%	100	49.0	51.0

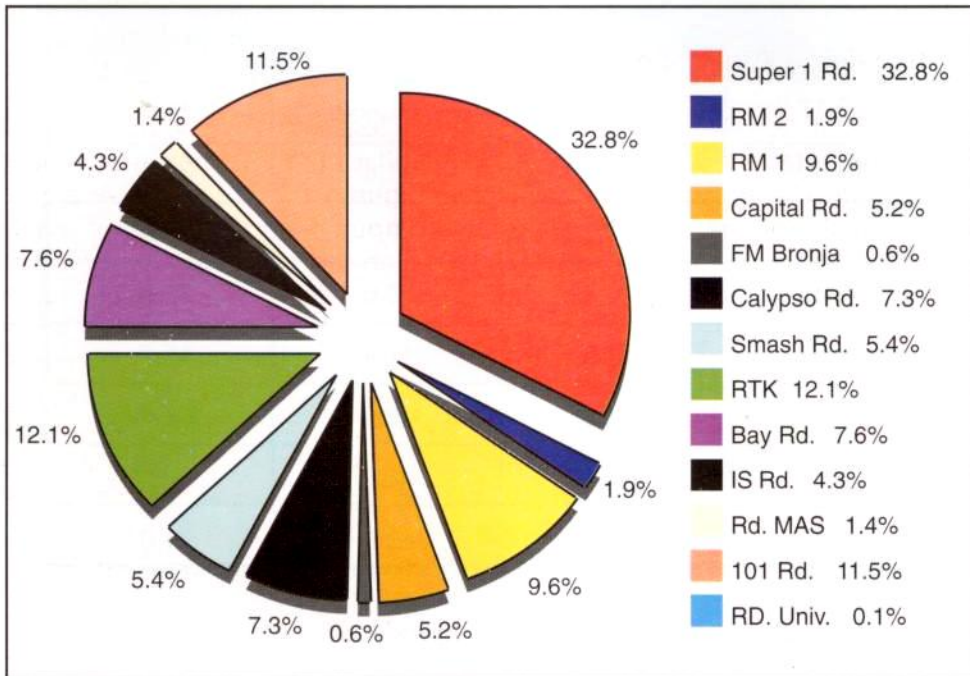
#### **9.4 Radio Audience Shares**

The October 1999 figures for all radio stations demonstrated that there had been interesting fluctuations in the size of audience since March 1999. The relative strength of each individual radio station between 6.00 a.m. and midnight is compared in figures 1 and 2 which respectively give the March and October positions. These figures show that the greatest gain was recorded by RTK (+5.9%). This station is followed by Capital Radio (+2%); Radio 101 (+1.4%); Bay Radio (+1.4%) and by University Radio (+0.1%). On the other hand, the greatest loss in audience share was registered by Super 1 Radio, which lost 6% audience share since March 1999, followed by Radio Malta 1 (-1.3%); Radio Calypso (-1.3%); Island Sound (-1%); Radju MAS (-0.6%) Radio Malta 2 (-0.2%); and FM Bronja (-0.2%). Smash Radio did not register any changes.

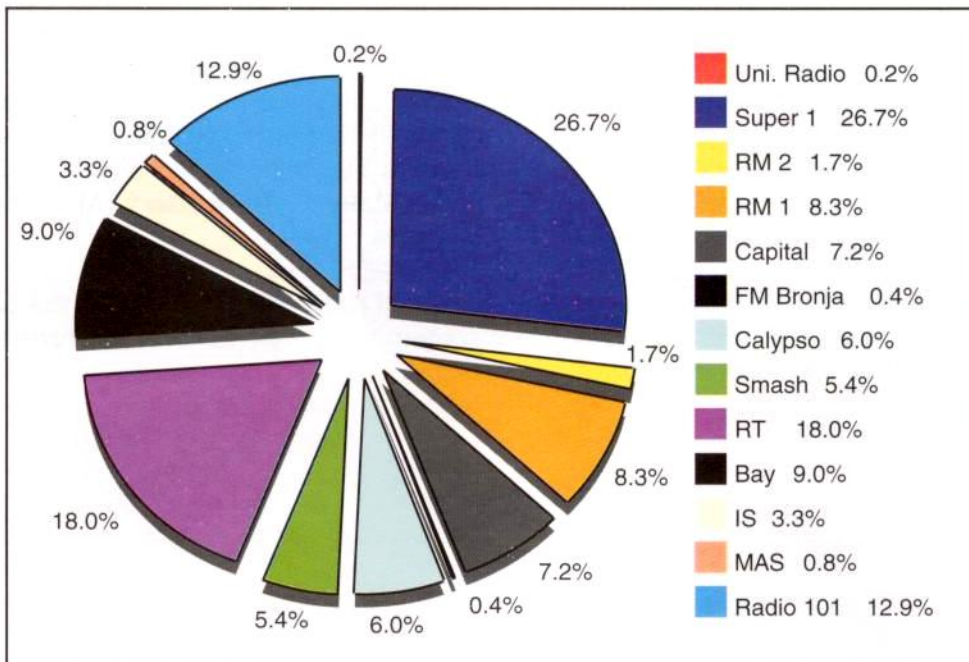
The study compared the performance of national radio stations both on the basis of all the time-slots during which they transmit, as well as their performance between 6.00 a.m. and midnight.



**Figure 1 - Daily Average Audience Radio Levels,  
6.00 a.m. - midnight,  
March 1999**



**Figure 2 - Daily Average Audience Radio Levels,  
6.00 a.m. - midnight,  
October 1999**

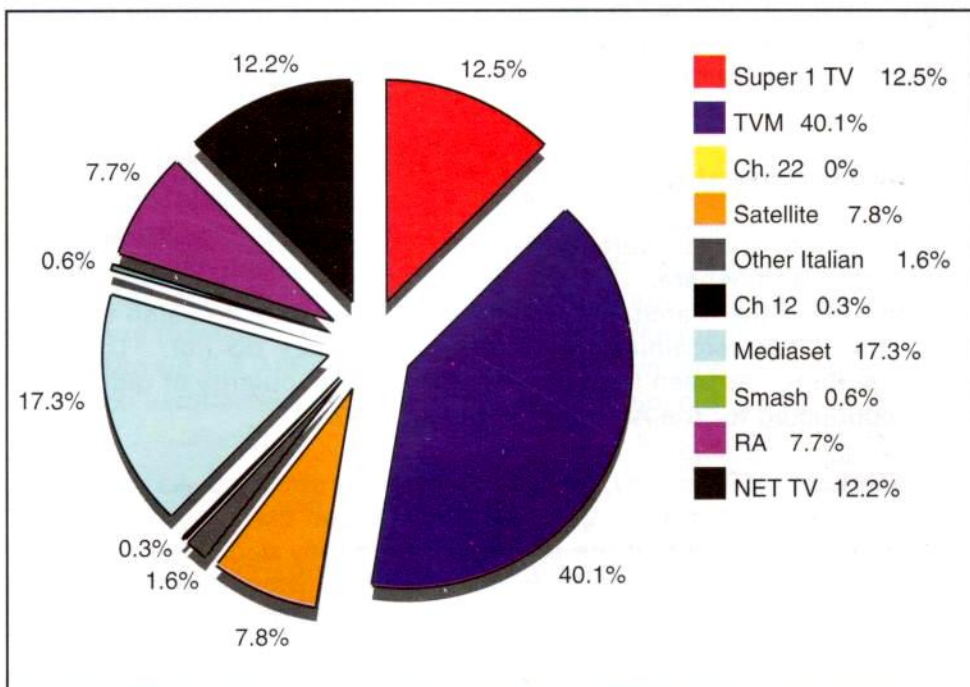


Another indication of station popularity is given by calculating the stations' most popular programme performance. The Report provides details about all stations programme performance.

### 9.5 Television Audience Share

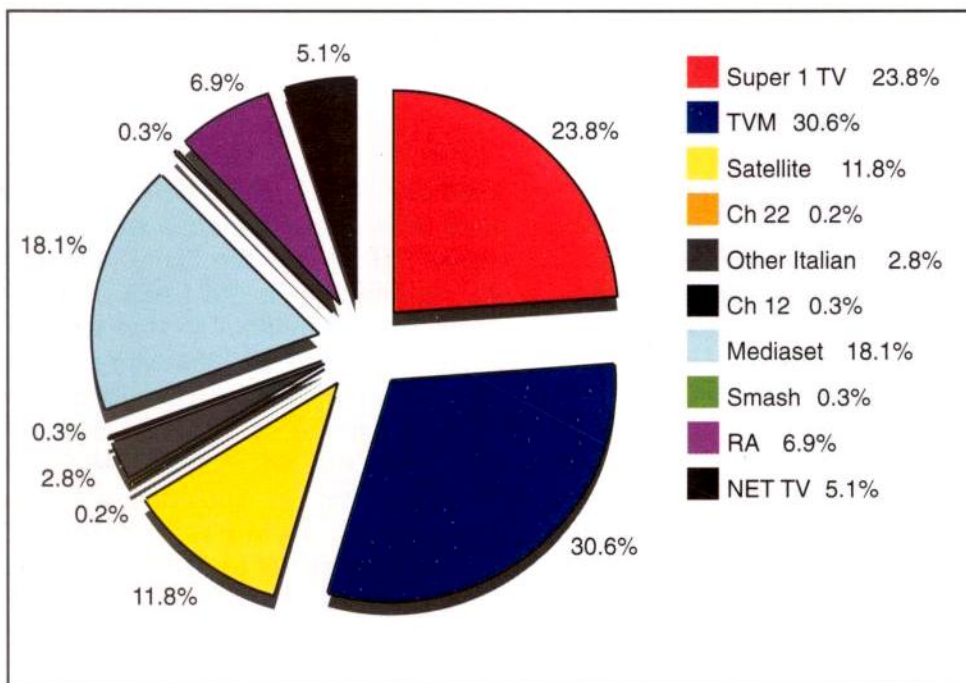
In so far as television is concerned, the 1999 audience surveys point to important changes: some stations lost audience share whilst others gained from this loss. Figures 3 and 4 summarise the respective figures for the Daily Average TV Audience Levels for the two 1999 studies, computed on the basis of available time-slots for each station during the hours each individual station was on air. The two most striking changes over the last six months of 1999 was the striking loss of audience share by TVM and the concomitant increase in audience share by Super 1 TV. Gains in audience share were registered as follows: Super 1 TV (+8.9%); satellite (+2.8%); NET TV (+2.4%); other Italian Stations (+0.9%); and Channel 22 (0.2%). Further, the following losses in audience share were registered during the same second 6 month period: TVM (-12.6%); RAI (-1.5%); Mediaset (-1%) and Smash TV (-0.3%). Channel 12 has not registered any change in its audience share.

**Figure 3 - Daily Average Audience TV Levels, March 1999**





**Figure 4 - Daily Average Audience TV Levels, October 1999**



As in radio, peak times for different TV channels are a good indicator of their popularity. "Peak Audience" is defined as "the highest percentage of audience share obtained during the channel's transmission time for a particular day". Peak times indicate which particular programmes are most popular.

## 9.6 Radio Listenership

Participants in both studies were requested to indicate whether they listen to the radio regularly, and where. Of all respondents in October, 1999 74.6% (as opposed to 77% in the March 1999 study) stated that they do listen to the radio regularly, whilst the remaining 25.4% stated that they do not. This statistic suggests that there has been a slight decrease in the popularity of radio since the last study conducted for the Authority in March 1999.

During the October 1999 survey, the following points emerged. As to the average number of hours listened to by those who had stated that they do listen to the radio, a mere 1.7% stated that the amount of time they dedicate to radio varied considerably, but as many as 34.3% stated that they listened to the radio for at least one hour every day. The duration of time the Maltese listen to the radio is quite extensive, extending to as much as 16 hours per day and even more in the case of 0.5% of the respondents. But figures start going down dramatically beyond the six hours point. The respective figures for 1-6 hours are as follows: 1 hour: 34.3%; 2 hours: 18.3%; 3 hours: 12.2%; 4 hours: 9.0%; 5 hours: 6.2%; 6 hours: 5.8%. By and large, females tend to listen to the radio for longer hours than

males, but the percentages of males listening to the radio for up to three hours is higher. With regard to the place where radio is listened to as many as 76% (March 1999: 78.1%) of those who listen to the radio on a regular basis stated that they listen to the radio at home; 16.6% (March 1999: 15.4%) listen to it while at work, whilst 29.3% (March 1999: 28.7%) listen to the radio in the car.

## **9.7 TV Viewership**

Similarly, participants in the October study were requested to indicate whether they watch TV regularly, and where. Of all respondents, 98.5% (March 1999: 96.2) stated that they do watch TV regularly, whilst the remaining 1.5% stated that they do not. This points to a slight increase in the popularity of this medium over the March figures despite the fact that the October study was conducted at the beginning of the winter schedule. Very slight differences were noted when these figures were broken down by gender, except that males registered a slightly higher incidence than females (males: 98.8% vs. female: 98.2%).

As to the average number of hours residents in Malta view TV, the most common incidence reported in the latest study is again of 2 hours per day, registered at 28.5% (March 1999: 30.6%). As many as 0.2% stated that they view TV for up to nine hours daily, and some claimed that they watch TV for even longer hours. But most viewers do not exceed four hours of daily viewing: 1 hour: 23.2%; 2 hours: 28.5%; 3 hours: 22.4%; and 4 hours: 12.9%. The difference across genders is not significant.

Of those who watch TV on a regular basis, as many as 45.7% (March 1999: 40.2%) of all respondents stated that they watch TV in the sitting room. Twenty six percent (March 1999: 28.6%) watch TV in the bedroom, and 22.3% (March 1999: 23.1%) do so in the kitchen. The remaining 4.9% (March 1999: 6.4%) watch TV in the dining room, whilst 1.1% (March 1999: 1.8%) do so in another part of the house. It is interesting to note that more males continue to prefer to watch TV in the sitting room than females (49.2% males vs. 42.4% females).

## **9.8 Cable TV Facilities**

Of all the respondents taking part in the October study, 57.5% (March 1999: 55.8%) stated that they are connected to Cable TV. This 57.5% is broken down as follows: 18.7% are served by the Reception Level; 20.7% stated that they are served by the Basic Level; 18.1% are serviced by TV Plus.

As many as 86.3% of all cable subscribers stated that they do not subscribe to the Movie Channel, while another 81% stated that they do not subscribe to the Sports Channel. Interestingly enough, there are no social class differences among those who subscribe to these two specifically premium services, and it seems that the decision on whether to subscribe or not depends on other factors, such as interest.





## 9.9 Family Decision-Making Processes

Traditionally, the Maltese family was popularly perceived to be patriarchal and the authority of the father in decision-making was frequently assumed to constitute the last word. As Maltese society gradually becomes more egalitarian, it is interesting to discover who decides, and how decisions are reached, when it comes to a choice on how to spend an evening at home in front of the television set. For this purpose, the Broadcasting Authority again introduced a question as to who is the most influential person in the family when determining which channel is to be chosen.

In fact the October study, in 20.4% (March 1999: 23.3%) of the cases it was clearly stated that the problem does not arise either because there is more than one TV set at home or because there is no conflict of interest. In 33.2% (March 1999: 30.4%) of the cases the husband is reported to be the decision maker; in 25.3% (March 1999: 23.5%) of the cases it is the wife who decides whilst in 21.1% (March 1999: 22.9%) of the cases the children's wishes are respected.

## 9.10 News Transmissions

The preferences of the Maltese in respect of sources for local news were also analysed. The figures for the October study indicate that of all the respondents, 73.6% (March 1999: 71.4%) prefer to follow the news on TV; 12.7% (March 1999: 12.7%) prefer the radio as their source for news; 8% (March 1999: 10.3%) prefer to read about news events in a newspaper whilst 1.5% (March 1999: 2%) stated that they have no special preference. Another 4.2% (March 1999: 3.6%) prefer to learn the news from other persons.

As to the preferences of the Maltese in respect of the available sources for foreign news, of all the respondents 75.6% (March 1999: 74.5%) prefer TV; 10.3% and 7.0% (March 1999: 10.3% and 9%) prefer the radio and newspapers respectively. Three point four per cent (March 1999: 3.1%) stated that they prefer to pick foreign news from other persons, whilst the remaining 3.7% (March 1999: 3.1%) stated that they have no special preference for any of the media. When the October 1999 figures are compared to the percentages of the March 1999 study, and indeed to those obtained in previous years, the similarity in the patterns emerging is quite striking.

Females showed a relatively higher preference than males for both TV (76.5% vs. 74.7% males in contrast to the March 1999 figures: 75% vs. 74.1% males) and radio (11.7% vs. 8.8% males, in contrast to the March 1999 figures: 10.4% vs. 10.2% males); whilst males prefer newspapers more than females (9.4% vs. 4.7% females, in contrast to the March 1999 figures: 10.8% males vs. 7.2% females).

For the October study, respondents were asked at what time they preferred to watch the main evening news on TV. The findings show quite a range of views, but 8.00p.m. seems to have become an institution: as many as 63.2% stated that



they would prefer this time. Another 11.5% stated that they prefer 7.30p.m. Despite the fact that a number of other times were mentioned, these registered very low responses. It is to be noted that this was an open-ended question, and no prompting was made.

On the basis of the respondents' replies, statistics were computed to estimate on which local station Maltese had watched the news on the day prior to the interview, and on the previous day (i.e. two days prior to the interview). Despite the high following which news bulletins generally have, those who stated that they did not watch the news on television on the days surveyed averaged between 60.1% and 62.7% of the potential audience. TVM had the highest viewership with 29.7% and 27.5% respectively for the two days. Next in popularity came Super 1 (14.6% and 12.2% respectively); NET TV (4.2% and 5.3% respectively) and Smash TV (0.4% and 0.4% respectively). These figures show substantial reductions from the March findings.

### **9.11 Conclusion**

In summary, the 1999 studies have shown that the media scene in Malta is sensitive even to minor changes and that the Maltese, though committed in a general way, are not all set in their behaviour patterns as consumers of different media products. Even over a short period of time, important changes have occurred, and they have been amply documented in the findings of this study. Tastes do change, and the Maltese are showing that their tastes are getting more selective as time goes by. In a competitive environment, media managers need to take these changes into consideration when developing their product because if they do not, they will be negatively affected. In this regard, the power of the media to influence people is counter-balanced by the power of the remote control, which, by a mere flick of a button, can block a station or a programme from the viewer who ultimately remains in control. That this is actually happening in Malta, and the 1999 studies provide important information on the extent to which this is happening, reveal an interesting tale, and one which producers and managers cannot really ignore!



## 10. Broadcasting Authority Programme Awards 1999

### 10.1 Awards Night

The Broadcasting Authority Programme Awards were presented on Saturday 4th December at the Westin Dragonara Resort St. Julians.

This was the fifth consecutive year that such prizes were awarded. The Broadcasting Authority introduced these annual awards with the aim of raising programme standards. Programmes on radio and television reflect the various aspects of a country's culture and way of life.



An independent Jury appointed by the Broadcasting Authority chose the Broadcasting Authority Programme Awards for 1999. From this year onwards, the jury did not receive any entries by the programme production teams. Instead it was the Jury itself who drew up a short list in each category from which nominations and the eventual winners were chosen. It selected a number of programme finalists in each category. Details about these programmes were made public as part of the selection process. All programme entries were initially broadcast on local stations for the first time between October 1st, 1998 and September 30th, 1999.



Radio and television producers from 9 stations were nominated in the final selection of this year's competition. There were 11 programme nominations for the radio section and 14 for the television section of the competition broadcasted on the following stations: FM Bronja, Radju Malta 1, Radju Malta 2, Radio 101, Radju ta' l-Universita', Super One Radio, Net TV, Television Malta and Super One TV.

There were no finalists in the radio categories for Investigative Journalism, Discussion Programmes, Magazine Programmes, Children's Programmes, and Sports Programmes. There were also no finalists in the Drama, Magazine Programmes, Children's Programmes, and Light Entertainment Programmes categories of the television section.

### 10.2 Prizes

One Programme of the Year Award consisting of a bronze trophy, diploma and a cash prize of Lm500 was awarded in each section. The trophy and the prize money was awarded to the production team. Radio and television stations with the largest number of winning entries also got a specially inscribed trophy. Both production team and station were presented with a diploma. Since one of the





aims of the competition is to achieve excellence - both in content as well as technically - prizes will be awarded only if entries reach the necessary standard.

### 10.3 Jury Composition

The Jury was composed as follows:

**Chairman:** Mr. Lino Bugeja

**Members:** Ms Daniela Attard Bezzina      Mr John Coleiro  
Fr Hilary Tagliaferro      Mr David Pace  
Dr Richard Vella Laurenti      Mr Joe Vella  
Mr Jon Rosser



### 10.4 Programme Award Winners 1999

The Programme Awards Winners for 1999 were as follows:

#### RADIO SECTION

##### Drama

##### **GHIDLI MISSIER JEKK IL-GWERRA SPIĊĊATX**

Producer: Vanni Riolo

Station: Radju Malta 1

##### Current Affairs

##### **PANORAMA**

Producer: Joe Flask

Station: Radju Malta 2

##### Documentaries

##### **KAHLIL ĠIBRAN - IL-PROFETA TAL-ĦSIEB**

Producer: Carmen Cacopardo Mariani

Station: FM Bronja

##### Cultural/Educational Programmes

##### **MINN GHERFHOM ISSAQQEJNA**

Producer: Charles Caruana

Station: FM Brojnja

##### Light Entertainment Programmes

##### **ROCK FILE 2**

Producer: Noel Mallia

Station: Radio 101



## TELEVISION SECTION

### Current Affairs

#### LENTI

Producer: Alfred Musù

Station: TVM

### Investigative Journalism

#### IL-KAŽ

Producer: Tonio Bonello

Station: TVM

### Documentaries

#### DINJA OHRA

Producer: Emy Farrugia & Moyra Felice

Station: TVM

### Cultural/Educational Programmes

#### CARAVAGGIO

Representative of Production Team: Peppi Azzopardi

Other Members: Marie Briguglio, P. J. Vassallo, Joe Scicluna

Station: TVM

### Discussion Programmes

#### APPELL MIFTUH

Producer: Dr Georg Sapiano

Station: NET TV

### Sports

#### SUPER SAILING

Producer: Teddie Borg

Station: Super One TV





## **11 Election and Political Broadcasting**

### **11.1 Party Political Broadcasts**

On 8th March 1999 the Authority suspended the Party Political Broadcasts Scheme which was launched by the Authority on 15th February 1999. The scheme of party political broadcasts consisted of 1,325 minutes of airtime apportioned between the Malta Labour Party, the Nationalist Party and Alternattiva Demokratika. The Labour Party was objecting to 3 main points: (a) it objected to a participating Chairman in the debates and in the interview programme *Wegibni*, \*(b) it objected that the subjects of the debates and interviews were to be chosen by the Authority; and (c) it refused to participate in these debates and interviews.

The Authority reiterated that due to the low rate of public interest in such programmes as evidenced through its own audience surveys, it was high time that the programmes were changed in order to be made more attractive to viewers. It further pointed out that once the scheme had come into effect it was not possible for the Labour Party to pick and choose those parts of the scheme with which it agreed and refused to participate in those programmes with which it disagreed. The Authority pointed out that once the scheme had been approved, it was not possible - in terms of a court judgement - to modify the scheme without the consent of all parties thereto. It had thus no option but to suspend the scheme.

### **11.2 Local Councils Elections**

The Authority has during 1999 discussed with PBS Ltd. the possible role of the public service broadcasting media in the March 1999 Local Council Elections. The Authority had recommended to PBS Ltd. that the latter should offer its services to the various contesting parties and independent candidates so that the public, in particular the voters living in the towns and villages where the local council elections were to be held, would be made aware of the main issues involved. PBS Ltd. had taken up the Authority's suggestion and two special programmes of 75 minutes each were broadcast prior to the said elections.

### **11.3 Equal Facilities and Time to broadcast**

The Broadcasting Authority considered a protest from the Malta Labour Party concerning balance and impartiality in broadcasting with regard to an interview with the Prime Minister about the European Union, broadcast from the Trade Fair grounds on TVM on Saturday, 10th July 1999 and the following day on NET TV. The Malta Labour Party asked for equal facilities and time to broadcast its views on the same subject.



After watching a recording of the interview, the Authority held that, in view of constitutional requirements regarding impartiality, the Malta Labour Party was to be given a remedy. Furthermore, the Authority noted that the interview dealt with matters of current public policy and, in accordance with the Court of Appeal's judgement of 17th July 1997, it was necessary to allow different viewpoints to be broadcast on the subject.

The Authority decided to give the Malta Labour Party the same facilities by granting a similar opportunity to the Leader of the Opposition to be interviewed about the European Union. This interview was broadcast on TVM on Saturday, 17th July and the following day on NET TV at the same times as the interview with the Prime Minister and for the same duration of 53 minutes.

#### 11.4 Anniversary Messages

Seven messages linked to events of international significance were broadcast during the year on the public broadcasting services by Ministers and a Parliamentary Secretary. Broadcasts of this nature are transmitted in off peak time. The following is a list of such broadcasts:

Date	Time	Duration	Message	Message by
8th March	19.50hrs	3 min.	On Inter. Woman's Day	The Hon. Dr. Lawrence Gonzi
5th June	19.10hrs	6 min	Environment Day	The Hon F. Zammit Dimech
26th June	18.45 hrs	6 min	World Drugs Day	The Hon. Dr. Tonio Borg
27th Sept.	18.35hrs	7 min	World Tourism Day	The Hon. Dr. Michael Refalo
30th Sept.	18.25hrs	7 min	World Day of the Elderly	The Hon. Dr. A. Mifsud Bonnici
16th Oct.	18.45hrs.	7 min	World Food Day	The Hon. Ninu Zammit
3rd Dec.	18.45hrs	10 min	World Day of the Disabled	The Hon. Dr. Lawrence Gonzi

#### 11.5 Ministerial Broadcasts

On the other hand no ministerial broadcasts were transmitted during 1999.



## 12 Broadcasting Case Law

During the year under review, the Authority continued to be involved in court litigation. Seven such cases were determined during the year as can be seen hereunder:

Date of Decree/ Judgement	Court Ref. no.	Parties	Court	Remarks
17/12/99	Warrant of Prohibitory Injunction 527/99CFS	Richard Cachia Caruana vs. Manwel Cuschieri pro et noe et	Civil Cour. First Hall	Warrant was refused
17/12/99	Warrant of Prohibitory Injunction 5270/99 CFS	Richard Cachia Caruana vs. Public Broadcasting Services Ltd. et.	Civil Court First Hall	Warrant was refused
17/11/99	Appeal No. 229/99	Mons. Dun Joseph Vella Gauci vs. Broadcasting Authority	Civil of Appeal	Final desicion: appeal refused
1/11/99	Warrant of Prohibitory Injunction 4398/99 DS	Rainbow Productions Ltd. vs. Broadcasting Authority	Civil Court First Hall	Warrant was refused
6/10/99	Warrant of Prohibitory Injunction 1975/98 RCP	Rainbow Productions Ltd. vs. Broadcasting Authority	Civil Court First Hall	Decree was revoked contrario imperio warrant was refused
5/10/99	Writ of Summons No. 1179/98 RCP	Rainbow Productions Ltd. vs. Broadcasting Authority	Civil Court First Hall	Partial judgement delivered
15/04/99 No. 1861/97 GC	Writ of Summons Authority	Broadcasting First Hall vs. Public Broadcasting Services	Civil Court judgement	Case was withdrawn following settlement of fine.



## APPENDICES

A	The Political Content of News on PBS .....
B	The Political Content of News of the Public Broadcasting Services General Picture 1999 .....
C	Ministerial Activities 1999 .....
D	Party Political Activities 1999 .....
E	Trade Union Activities 1999 .....
F	General Picture (Diagram) 1999 .....
G	General Picture (Pie Chart) 1999 .....
H	Political Content 1999 .....
I	Paper:Redefining the Role of Public Broadcasting in Malta .....
J	Policy Document on Renewal of Broadcasting Licences .....
K	Policy Document on Transferability of Broadcasting Licences .....
L	Report and Financial Statements for the year ended 31 December 1999 .....







The Political Content of the News* on PBS - January to December								1999	1998	
TOTAL NUMBER OF LOCAL ITEMS:								5409	5517	
TOTAL NUMBER OF COVERAGES:								7287	7867	
<b>Ministerial Coverages:</b>				<b>Total</b>	<b>%</b>					
Press Releases:				81	4.66			1740		2057
Activities:				1659	95.34			23.88	%	26.15**
<b>Party Political Coverages:</b>	<b>N.P.</b>	<b>%</b>	<b>M.L.P.</b>	<b>%</b>	<b>A.D.</b>	<b>%</b>				
Press Releases:	149		188		11		348			
		33.4		62.38		4.22				
Activities:	207		477		34		718	1066		1118
	356		665		45			14.63	%	14.21**
<b>Trade Union Coverages:</b>	<b>GWU</b>	<b>%</b>	<b>CMTU/UHM</b>	<b>%</b>	<b>GRTU</b>	<b>%</b>				
Press Releases:	61		52		13		126			
		51.83		32.67		9.33				
Activities:	250		144		43		437	600	*	501
	311		196		56			8.23	%	6.37**
* Other union items: 37										
<b>Total Political Content:</b>		(cov.)=	3406	%=	46.74		(items)=	2001	%=	36.99
<b>Other Local Coverages:</b>				<b>Total</b>	<b>%</b>					
Press Releases:				285	7.34			3881		4191
Activities:				3596	92.66			53.26	%	53.27**
<b>Form of Presentation of Local Items:</b>				<b>Total</b>	<b>%</b>					
Announcer in Vision:				968	17.90					
Items supported by: Slide				715	13.22					
Film				3726	68.89			5409		5517
<b>Investigative Items:</b>				28	0.52					

Total number of coverages include multiple news items.

\* Based on Statistics relating to the 8p.m. and late News Bulletins on TVM.

\*\* Percentage of total number of coverages

**The Political Content of News  
of the Public Broadcasting Services  
General Picture 1999**

Month	Govt. Act.	Party Political			Unions				Total	% of all coverages
		NP	MLP	AD	CMTU	GWU	GRTU	OTH.		
January	108	11	39	4	18	17	7	3	207	36.7
February	150	39	54	4	11	12	2	5	277	50.0
March	200	48	70	5	10	15	5	5	258	53.4
April	160	26	49	2	19	25	3	4	288	47.8
May	183	42	75	7	8	14	6	2	237	50.6
June	142	23	45	4	8	11	1	0	234	40.6
July	124	48	52	1	12	23	4	4	268	45.0
August	99	17	55	1	20	61	10	2	265	43.4
September	142	51	58	3	19	20	1	2	296	49.1
October	149	16	63	3	24	34	1	1	291	48.9
November	165	27	67	6	19	43	7	7	341	51.3
December	118	8	38	5	28	36	9	2	244	41.9
	1740	356	665	45	196	311	56	37	3406	46.7



**Ministerial Activities 1999**

Month	Number of Coverages	Reports of Ministerial Activities	%
January	564	108	19.1
February	554	150	27.1
March	671	200	29.8
April	603	160	26.5
May	666	183	27.5
June	577	142	24.6
July	596	124	20.8
August	610	99	16.2
September	603	142	23.5
October	595	149	25.0
November	665	165	24.8
December	583	118	20.2
	7287	1740	23.9





Party Political Activities 1999

Month	No. of Coverages	Party Political			Total	%
		NP	MLP	AD		
January	564	11	39	4	54	9.6
February	554	39	54	4	97	17.5
March	671	48	70	5	123	18.3
April	603	26	49	2	77	12.8
May	666	42	75	7	124	18.6
June	577	23	45	4	72	12.5
July	596	48	52	1	101	16.9
August	610	17	55	1	73	12.0
September	603	51	58	3	112	18.6
October	595	16	63	3	82	13.8
November	665	27	67	6	100	15.0
December	583	8	38	5	51	8.7
	7287	356	665	45	1066	14.6

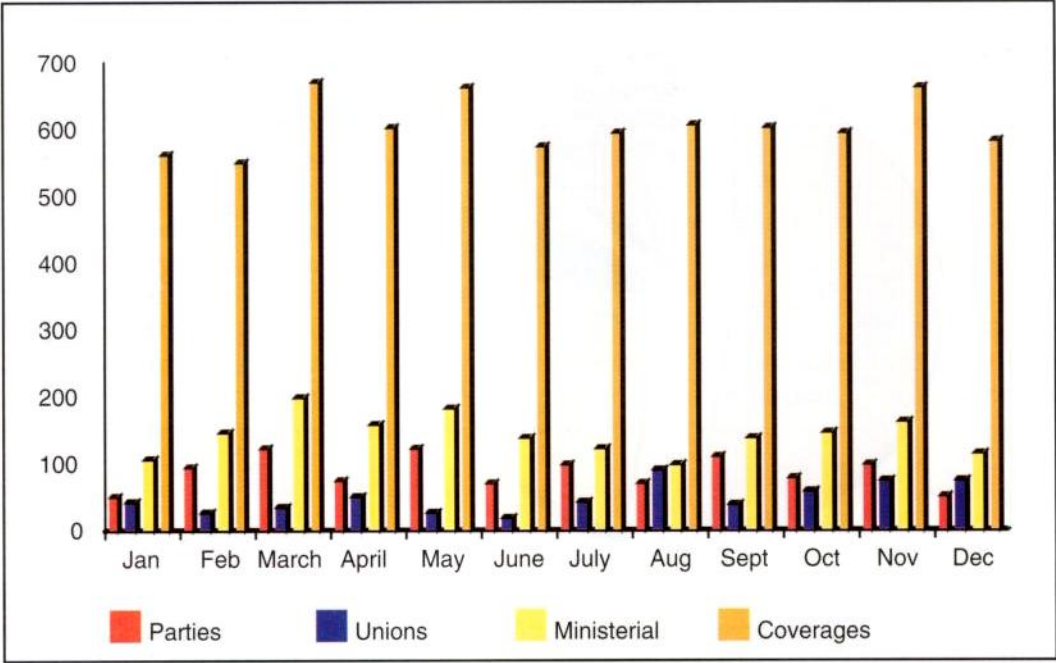


## Trade Union Activities 1999

Month	No. of coverages	Unions				Total	%
		CMTU	GWU	GRTU	OTH.		
January	564	18	17	7	3	45	8.0
February	554	11	12	2	5	30	5.4
March	671	10	15	5	5	35	5.2
April	603	19	25	3	4	51	8.5
May	666	8	14	6	2	30	4.5
June	577	8	11	1	0	20	3.5
July	596	12	23	4	4	43	7.2
August	610	20	61	10	2	93	15.2
September	603	19	20	1	2	42	7.0
October	595	24	34	1	1	60	10.0
November	665	19	43	7	7	76	11.4
December	583	28	36	9	2	75	12.9
	7287	196	311	56	37	600	8.2

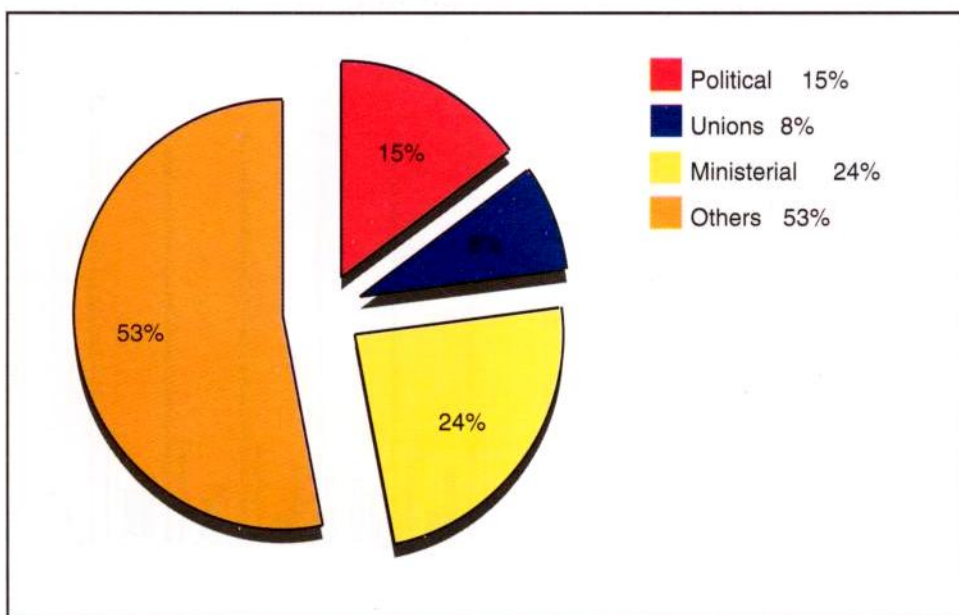


General Picture 1999

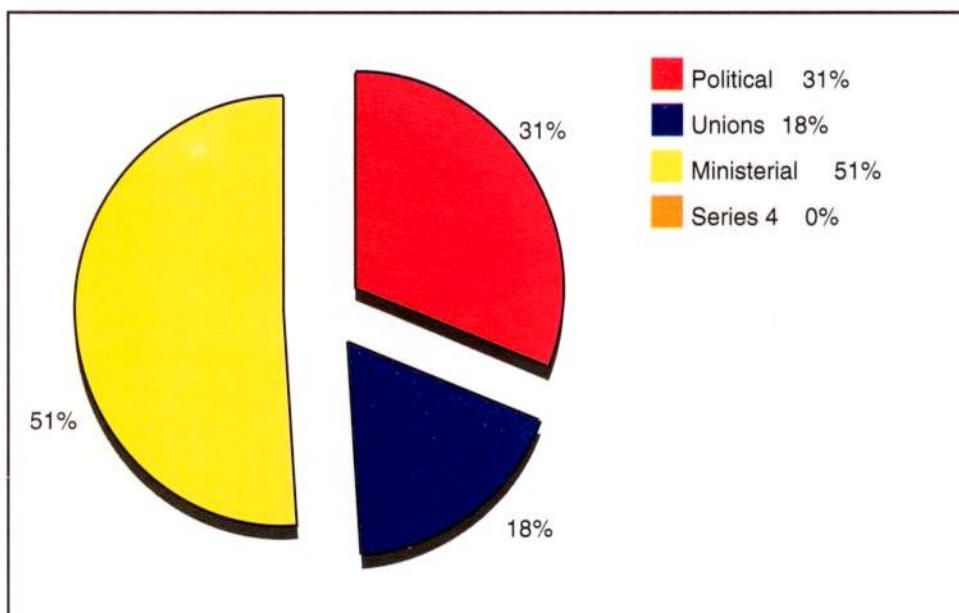




### General Picture 1999



### Political Content 1999



**Paper: Redefining the Role of Public Broadcasting in Malta**

**The Authority's Perspective  
A paper delivered by Mr Antoine J Ellul  
during the conference on  
"Redefining The Role of Public Broadcasting in Malta" on  
13th January, 1999**

**Introduction**

Public broadcasting service is fundamentally different from private sector broadcasting insofar as, whereas the private sector is driven by the interests of the operator, in the case of the public broadcasting service, the operator and the audience constitute the same entity - the public. With the advent and development of pluralism in Malta, the role of public broadcasting may have changed but by no means withered. The role and aims of public broadcasting can be condensed in two headings: credibility and quality.

**Credibility**

Maltese public broadcasting suffers from a historically acquired personality in that it has always been the responsibility of the government of the day. Indeed, the background to the introduction of pluralism was the resulting institutionalised distrust of opposition party elements. Independently of whether the basis for such distrust is justified or imaginary, what is important for both the public operator and the public audience is that public broadcasting is seen to be credible, especially where news and current affairs programmes are concerned. Such credibility is desirable not only on the political level but also on the social and cultural levels.

The problem of the public broadcaster, where the issue of the station's credibility is concerned, is a complex one. One consequence of the prevailing perception can be hypersensitivity to criticism where safety may become the overriding consideration. Thus, for example, a journalist may shy away from conducting investigative journalism as this entails interpretation, raising of questions and drawing conclusions. Such reluctance to delve beneath the surface tends to result in clinical and drab reporting. Another common consequence is the pressure felt by the public broadcaster to report events and announcements made by political and / or government personalities irrespective of their news value, sometimes rendering news bulletins as political notice boards. Such constraints, whether imposed or self-inflicted, place the public broadcaster at a disadvantageous position vis-a-vis his private competitors.

The solution would seem to be the hiving-off of public broadcasting, especially in the field of news and current affairs from the political domain. The Authority has





already broached the proposal, that the news division be set up as an autonomous entity, answerable in terms of its Constitutional responsibilities, to the Broadcasting Authority. Such a measure would liberate the public news and current affairs broadcaster from pressures or self-censorship deriving from the common fear of "biting the hand that feeds him".

## **Programme Quality**

Especially in the context of a pluralistic and competitive environment, superior programme quality should be the constant quest of the public broadcaster. Quality is a complex notion which should take into account the mission of the public broadcasting service as well as the right of the public audience to be provided with the best information, education and entertainment. Public broadcasting should be faithful to its responsibility to promote national identity, social values and culture. It should also be the vehicle to discover, promote and provide space for talent. It is commendable for public broadcasting to provide as many programmes of local origin as possible. However, the provision of a high content of locally originated programmes should not be the overriding aim, such as to sacrifice quality for quantity.

Farming-out of programmes has its very positive aspects as it can recruit a wide variety of competencies and talents and broadens the base of the creative input. However, caution must be exercised to reconcile this practice with the effective utilisation of internal human and material resources. Moreover, the public broadcaster cannot lose sight of his ultimate responsibility for all programme output, in particular farming-out of programmes should not mean that commercial interests will prevail.

## **Conclusion**

In short, whatever solutions can be studied to deal with the issue of financing public broadcasting they must not include the sacrificing of quality on the part of the broadcaster for commercial considerations. The Authority believes that the strategy for ensuring the highest possible quality of programmes within the framework of its mission should be based on the following three premises:

1. Optimal utilisation and effective management of resources;
2. Further and ongoing training and development of core human resources; and
3. Ascertainment of independence from political and commercial influences.



## **Policy Document on Renewal of Broadcasting Licences**

Since the enactment of the Broadcasting Act, 1991, 12 nationwide radio services have been licensed by the Authority and another three stations have also been licensed to provide television services. The position of all these 8-year licences is shown in Table I.

### **Licence Renewal Process**

In terms of section 10(11) of the Broadcasting Act, a licensee may not earlier than one year before the expiration of a licence apply for a further licence, which licence shall not be unreasonably refused'. Thus, the presumption is that a licence should be automatically renewed unless there are certain valid and cogent reasons - which indeed must be reasonable - for withholding the renewal of a licence. The Broadcasting Act does not list such reasons but, undoubtedly, they may, to a certain extent, be presumed from a study of the provisions of the Act itself.

The following ingredients have been identified to form the basis of an eventual policy which the Authority's policy for the renewal of transmission licences.

In assessing a licence for renewal, the following factors should be considered:

1. That the Authority should ensure that in terms of section 11(1)(c), private stations are allowed to operate in such a way so as to ensure a distribution of programming that appeals to general as well as to specific and various interests, and in line with a national broadcasting plan for the allocation of various frequencies.
2. That during the tenure of a previous licence a licensee had:
  - (a) in terms of section 11(2) fulfilled all his obligations under the Broadcasting Act and secured compliance with all the directives of the Authority which it deemed necessary or expedient for the proper exercise of its Constitutional functions.
  - (b) paid broadcasting licence fees punctually in terms of section 14 of the Act.
  - (c) observed all the directives issued by the Authority in terms of section 15 of the Act.
  - (d) provided prompt information to the Authority with regard to declarations, returns, accounts, documents and other information required by the Authority in terms of section 16(2).



- (e) not committed any repeated breaches of the provisions of a broadcasting licence - section 16(3).
- 3. That there had not been:
  - (i) Repeated non-compliance with the Advertisement Code in terms of section 19(1).
  - (ii) Repeated non-compliance with the provisions of other codes - section 20(2).
- 4. Upholding of frequent complaints by the Authority against a station - section 34.
- 5. That the performance assessment carried out by the Authority confirms that the broadcasting stations were true to their promise of performance.

### **Programme Requirements**

One of the main faults of the first station licensing exercise was the absence in the licence of specific programme requirements. In the licence renewal procedure, whilst respecting the station's character (i.e. music, talk or general programming) as assumed during the first licence period, licensees will be asked to submit detailed programme proposals.

The level of locally originated programmes required in 1991 was set at 20%. This should now - after the first 8-year licence period - be revised to 40%. This should not present any difficulties to nationwide radio licensees who are presently operating at more than this level but it should send warning signals to operators in the television sector about the Authority's future intentions in the programming field. In order to upgrade existing broadcasting services, renewed licences should include local and international news and an element of current affairs of high quality.

### **Mandatory Programme Categories**

News:	30 minutes each weekday
Current Affairs:	60 minutes per week

### **High Quality Programmes**

The Authority expects a licensee to support his claim for a renewal of licence with a statement of the thinking behind the service which he/she intends to supply, explaining inter alia how it is proposed to secure a range of high quality programmes and to encourage and sustain the professionalism and creative talent needed for this, and the elements which make the renewed service distinctive in relation to existing programming on competing services.



## Broadcasting Licences

	Station	Date of Issue	Date of Expiry	Frequency Fm
Radio	Island Sound	7.11.99	6.11.07	101.8
	Bay Radio	7.11.99	6.11.07	89.7
	Live FM	7.11.91	Not renewed	100.2
	Radio 101*	16.06.92	15.06.00	101.0
	Smash Radio	16.06.92	15.06.00	104.6
	RTK*	30.10.92	30.12.00	103.0
	Calypso Radio	30.03.93	29.03.01	102.3
	Super 1 Radio*	11.05.93	10.05.91	92.7
	Radju ta' l-Università/Radju MAS	18.11.93	17.11.01	103.7
	FM Bronja	26.09.97	25.09.05	91.7
	Capital Radio	06.05.98	05.05.06	88.7
Television	Super 1 TV	25.02.94	24.02.02	Ch 29
	Smash Television	27.10.94	26.10.02	Ch 44
	NET Television	20.03.98	19.03.06	Ch 50
	Max Plus	05.11.99	04.11.07	Ch 18

\* These stations commenced transmissions earlier as authorised by temporary broadcasting licences issued by Government in 1991.





**Policy Document on Transferability of Broadcasting Licences**

Section 16 (1) of the Broadcasting Act, 1991 provides that:

“No broadcasting licence or broadcasting contract shall be assigned, and the control of, or the shares in the ownership of a partnership to which a broadcasting licence or contract is granted may not be transferred either in whole or in part, without the previous consent in writing of the Authority, which consent may not be unreasonably withheld”.

The operative part of this section are the words ‘which consent may not be unreasonably withheld’. The above provision favours the transfer of a licence except in exceptional circumstances where the Authority may withhold such transfer. However, in order to do so, the Authority has to have reasonable grounds which justify such course of action. The burden is then placed on the Authority to justify its decision.

A number of criteria may be listed in terms of which the Authority would be correct to withhold its consent for the transfer of a licence. These could be any of the following:

1. where the transferee has held a broadcasting licence which was suspended or revoked by the Authority.
2. where the transferee had applied for a licence of the same class which was refused by the Authority.
3. where the transferee is one who already possess a radio licence or a television licence and thus cannot have 2 radio licences or 2 television licences.
4. where the transferee has been found guilty by a court of criminal jurisdiction of having infringed the Broadcasting Act, 1991 or of having committed any other serious offence within a period of 10 years prior to the proposed transfer.
5. where the transferee has proved himself to be unreliable, or is of dubious moral character or appears to be unable to live up to the commitments imposed in a broadcasting licence.
6. where the Authority believes that the transferee will not keep acceptable standards in broadcasting.
7. where the transferor has not operated a station or where he has not operated a station for less than 1 year prior to the proposed transfer of the licence.

## Conditions of Transfer

1. When a transfer of a licence is approved by the Authority, the transferee shall abide by the same conditions imposed in the relative licence.
2.
  - (a) A transfer fee of one thousand Maltese Liri shall be paid to the Authority by the transferor on the date of transfer of a controlling interest in a company holding a broadcasting licence in the case of a national radio and, where the transferor does not have a controlling interest in a company, he shall pay a transfer fee to be assessed pro rata to the number of shares held by him.
  - (b) a transfer fee of two thousand Maltese liri shall be paid to the Authority by the transferor on the date of transfer of a controlling interest in a company in the case of a transfer of a television licence and, where the transferor does not have a controlling interest in a company, he shall pay a transfer fee to be assessed pro rata to the number of shares held by him.
  - (c) a transfer fee of five hundred Maltese liri shall be paid to the Authority in the case of a transfer of a community radio.

A legal notice will however be required to bring the provisions of this paragraph into effect.

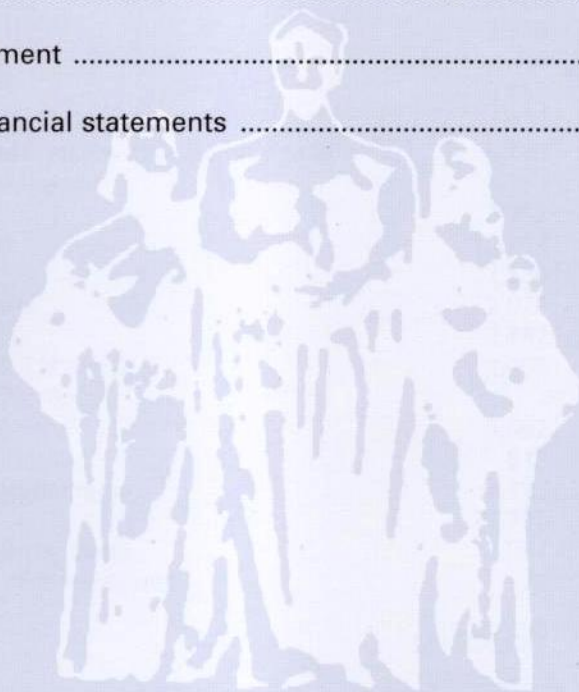


**Report  
and  
Financial Statements**



## **Report and Financial Statements for the year ended 31 December 1999**

Auditors' Report .....	79 - 80
Income and Expenditure account .....	81
Balance Sheet .....	82
Cash flow statement .....	83
Notes to the financial statements .....	84 - 89



## **AUDITORS' REPORT TO THE MEMBERS**

We have audited the financial statements on pages 81 to 92 which have been prepared under the accounting policies set out on page 84.

### **RESPECTIVE RESPONSIBILITIES OF THE AUTHORITY AND AUDITORS**

The Broadcasting Act, 1991 requires the Authority to prepare financial statements for each financial year which give a true and fair view of its state of affairs as at the end of the financial year, and of its surplus or deficit for that year. In preparing those financial statements, the Authority is required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in business.

The Authority is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time its financial position and to enable it to ensure that the financial statements comply with the relevant legislation. The Authority is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is our responsibility to form an independent opinion based on our audit, on those statements and to report our opinion to you.

### **BASIS OF OPINION**

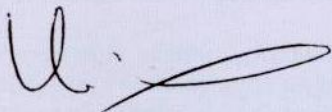
We conducted our audit in accordance with International Standards on Auditing. Our audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



## OPINION

In our opinion the financial statements give a true and fair view of the state of the Authority's affairs at 31 December 1999 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the Broadcasting Act, 1991.

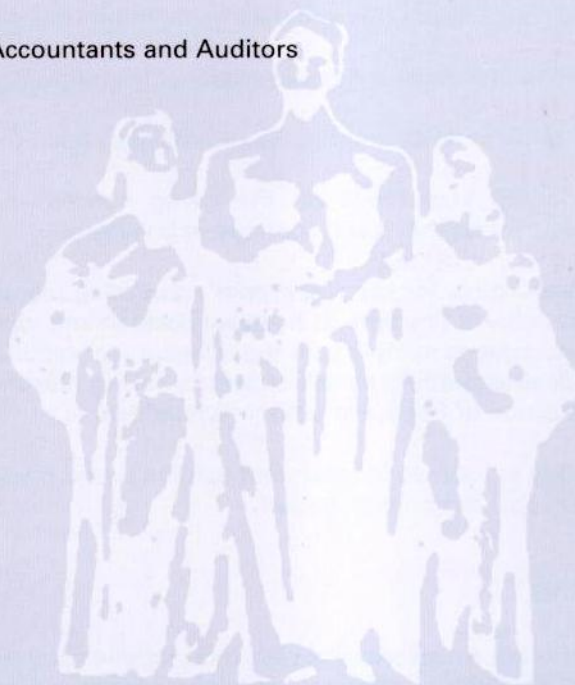


Mark A. Bugeja  
f/Grant Thornton

Certified Public Accountants and Auditors

Ta' Xbiex  
Malta

1 March 2000





**INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 31 December 1999**

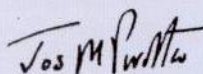
	Notes	1999 Lm	1998 Lm
INCOME	2	424,026	384,884
EXPENDITURE		(371,112)	(351,694)
		<hr/>	<hr/>
SURPLUS OF INCOME OVER EXPENDITURE		52,914	33,190
TRANSFER TO CAPITAL FUND	9	(52,914)	(33,190)
		<hr/>	<hr/>
SURPLUS FOR THE YEAR		-	-
ACCUMULATED DEFICIT BROUGHT FORWARD		(159,358)	(159,358)
		<hr/>	<hr/>
ACCUMULATED DEFICIT CARRIED FORWARD		Lm (159,358)	Lm (159,358)
		<hr/>	<hr/>



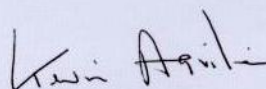
**BALANCE SHEET**  
**At 31 December 1999**

	Notes	1999 Lm	1998 Lm
<b>FIXED ASSETS</b>			
Tangible assets	3	936,991	923,535
Investment	4	45,159	1
		<u>982,150</u>	<u>923,536</u>
<b>CURRENT ASSETS</b>			
Debtors	5	136,611	144,994
Cash at bank and in hand	6	457,098	389,769
		<u>593,709</u>	<u>534,763</u>
<b>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	7	(148,933)	(84,287)
<b>NET CURRENT ASSETS</b>		<u>444,776</u>	<u>450,476</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,426,926	1,374,012
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	8	(339,723)	(339,723)
<b>NET ASSETS</b>		<u>Lm 1,087,203</u>	<u>Lm 1,034,289</u>
<b>CAPITAL AND RESERVES</b>			
Capital Fund	9	1,104,476	1,051,562
Reserves	10	142,085	142,085
Accumulated deficit		(159,358)	(159,358)
		<u>Lm 1,087,203</u>	<u>Lm 1,034,289</u>

The financial statements were approved by the board on 1 March 2000 and signed on its behalf by:



Prof. J. Pirotta  
Chairman



Dr. K. Aquilina  
Chief Executive



**CASH FLOW STATEMENT**  
**For the year ended 31 December 1999**

	Notes	1999 Lm	1998 Lm
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	13(a)	75,333	42,912
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Proceeds from disposal of tangible fixed assets		30,075	20,349
Payments to acquire tangible fixed assets	13(b)	(60,257)	(49,229)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(30,182)</b>	<b>(28,880)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest received		18,236	15,284
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>63,387</b>	<b>29,316</b>
Cash and cash equivalents at beginning of year	13(c)	364,518	335,202
Cash and cash equivalents at end of year	13(c)	Lm 427,905	Lm 364,518





## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 1999

#### 1 ACCOUNTING POLICIES

##### BASIS OF ACCOUNTING

The financial statements are prepared on the historical cost basis of accounting except as adjusted for the revaluation of land, buildings and antenna equipment.

##### TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost/valuation less accumulated depreciation. Depreciation is provided for on the straight line method at rates intended to write off the cost of fixed assets over their expected useful lives. The annual rates used, which are consistent with those applied in the previous year, are :

	%
Buildings	1
Studio equipment	20
Technical equipment	25
Motor vehicles	20
Furniture, fittings and office equipment	10 - 20
Transmitting antenna	4

No depreciation is provided for on freehold land.

#### 2 INCOME

Income is made up as follows :

	1999 Lm	1998 Lm
Government contributions	250,000	250,000
Application fees for sound broadcasting licences (note)	3,450	500
Licence fees for nation-wide sound broadcasting services (note)	74,717	71,233
Franchise fees	30,000	30,000
Other income	29,759	25,276
Gain on disposal of fixed assets	-	7,375
Rental fees receivable	14,100	500
Master Antenna facilities fees	22,000	-
	<hr/> Lm 424,026	<hr/> Lm 384,884

Note -

##### TECHNICAL ASSISTANCE

Twenty per cent of radio and T.V. station application and licence fees received by the Authority are automatically paid to the Ministry responsible for Wireless Telegraphy in terms of section 18(5) of the Broadcasting Act, 1991.

### 3 TANGIBLE FIXED ASSETS

	Freehold land Lm	Buildings & improvements Lm	Fixtures, fittings & equipment Lm	Technical equipment Lm	Studio equipment Lm	Motor vehicles Lm	Transmitting antenna Lm	Total Lm
<u>Cost</u>								
At 1/01/1999	68,804	724,856	79,659	38,577	28,283	13,501	127,186	1,080,866
Additions	-	4,167	10,746	2,623	38,141	-	-	55,677
Disposals	-	-	(261)	(771)	-	-	-	(1,032)
At 31/12/1999	68,804	729,023	90,144	40,429	66,424	13,501	127,186	1,135,511
<u>Depreciation</u>								
At 1 January 1999	-	26,506	44,377	32,973	17,111	6,128	30,236	157,331
Charge for the year	-	7,290	10,419	3,585	12,986	2,700	5,087	42,067
Released on disposal	-	-	(183)	(695)	-	-	-	(878)
At 31/12/1999	-	33,796	54,613	35,863	30,097	8,828	35,323	198,520
<u>Net book value</u>								
At 31/12/1999	Lm68,804	Lm695,227	Lm35,531	Lm4,566	Lm36,327	Lm4,673	Lm91,863	Lm936,991
At 31/12/1998	Lm68,804	Lm698,350	Lm35,282	Lm5,604	Lm11,172	Lm7,373	Lm96,950	Lm923,535



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3 TANGIBLE FIXED ASSETS (continued)

Land and buildings at Gharghur were revalued on the basis of an open market valuation for existing use on 25 March 1991 by Mangion & Mangion Partners, Architects, Civil Engineers & Consultants.

The transmitting antenna at Gharghur was revalued on the basis of an open market valuation for existing use on 28 August 1991 by C. Busuttil, Architect and Civil Engineer.

If the above assets had not been revalued they would have been included at the following amounts :

	1999	1998
Cost	Lm 655	Lm 655
Aggregate depreciation on cost	<u>Lm -</u>	<u>Lm -</u>

### 4 INVESTMENTS

	1999	1998
10,000 (1998-1) ordinary shares of Lm1 each in Master Antenna Limited	<u>Lm 45,159</u>	<u>Lm 1</u>

### 5 DEBTORS

	1999	1998
	Lm	Lm
Amounts falling due within one year:		
Licences receivable	11,000	11,000
Other debtors	114,904	125,630
Prepayments and accrued income	10,707	8,364
	<u>Lm 136,611</u>	<u>Lm 144,994</u>





## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6 CASH AT BANK AND IN HAND

	1999	1998
	Lm	Lm
Cash at bank	457,074	389,433
Cash in hand	24	336
	<u>Lm 457,098</u>	<u>Lm 389,769</u>

In line with the Authority's decision to set up a Broadcasting Academy the Authority is projecting to complete works on the studio in order to have better facilities to reach its aim. An estimated Lm 200,000 will be required to complete this project, of which Lm 100,000 has already been authorised by the Authority (vide note 12).

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999	1998
	Lm	Lm
Bank balance overdrawn	29,193	25,251
Other creditors	5,000	-
Capital creditors	46,934	3,481
Accruals and deferred income	67,806	55,555
	<u>Lm 148,933</u>	<u>Lm 84,287</u>

### 8 PROVISION FOR LIABILITIES AND CHARGES

The Authority was contractually obliged to spend Lm 35,000 annually for the prescription and improvement of programmes on radio and television. The income of the Authority was not always sufficient to enable it to meet this commitment. Consequently, the Authority has accumulated the following shortfall:

	1999	1998
Balance at 1 January/31 December	<u>Lm 339,723</u>	<u>Lm 339,723</u>

The agreement expired on 28 September 1991.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9 CAPITAL FUND

	1999 Lm	1998 Lm
Balance at 1 January	1,051,562	1,018,372
Surplus for year	52,914	33,190
Balance at 31 December	Lm 1,104,476	Lm 1,051,562

The capital fund has been set up in accordance with Section 26 of the Broadcasting Act, 1991.

### 10 RESERVES

	Revaluation reserve	Reserve fund	Total
At 1 January and 31 December 1999	Lm 126,085	Lm 16,000	Lm 142,085

The revaluation reserve has arisen out of a valuation carried out on fixed assets in 1991.

### 11 CAPITAL COMMITMENTS

	1999	1998
Capital expenditure that has been authorised by the Authority but has not yet been contracted for (note)	Lm 133,000	Lm 117,000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	Lm 22,458	Lm 4,361

Note : This amount includes Lm 100,000 in relation to the completion of the studio (vide note 7).

### 12 CONTINGENT LIABILITIES

	1999	1998
Legal disputes with third parties	Lm 1,000	Lm -





## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13 NOTES TO THE CASH FLOW STATEMENT

#### (a) Cash generated from operations

	1999 Lm	1998 Lm
Surplus of income over expenditure	52,914	33,190
Adjustments for :		
Interest receivable	(19,250)	(15,271)
Depreciation	42,067	33,212
Loss/(profit) on disposal of tangible fixed assets	79	(7,375)
	<hr/>	<hr/>
Operating surplus before working capital changes	75,810	43,756
Increase in debtors	(17,728)	(5,084)
Increase in creditors	17,251	4,240
	<hr/>	<hr/>
Cash generated from operations	Lm 75,333	Lm 42,912

#### (b) Tangible fixed assets

During the year, the Authority acquired fixed assets with an aggregate cost of Lm55,677. Total payments of Lm 60,257 were made to acquire tangible fixed assets.

#### (c) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts :

	1999 Lm	1998 Lm
Cash in hand and balances with banks	457,098	389,769
Bank balance overdrawn	(29,193)	(25,251)
	<hr/>	<hr/>
	Lm 427,905	Lm 364,518





**INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 31 December 1999**

	Page	1999 Lm	1998 Lm
<b>INCOME</b>			
Government contributions		250,000	250,000
Application fees		3,450	500
Licences		74,717	71,233
Franchise fees		30,000	30,000
Other income		29,759	25,276
Gain on disposal of fixed assets		-	7,375
Rental fees receivable		14,100	500
Master Antenna facilities fees		22,000	-
		<hr/> 424,026	<hr/> 384,884
<b>EXPENDITURE</b>			
Technical assistance		14,954	14,276
Administrative	91	230,837	236,495
Annual events	91	28,846	18,873
Production	92	15,514	17,542
Monitoring	92	79,022	59,245
Technical	92	1,939	5,263
		<hr/> 371,112	<hr/> 351,694
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>		52,914	33,190
<b>TRANSFER TO CAPITAL RESERVE</b>		(52,914)	(33,190)
<b>SURPLUS FOR THE YEAR</b>		<hr/> Lm -	<hr/> Lm -

**PROFIT AND LOSS ACCOUNT SCHEDULES**  
**For the year ended 31 December 1999**

	1999 Lm	1998 Lm
<b>ADMINISTRATIVE EXPENSES</b>		
Members' honoraria	20,054	20,236
Legal adviser's honoraria	2,500	2,500
Salaries	86,937	97,191
Staff training	722	7,727
Telecommunications	6,432	5,395
Water and electricity	8,466	11,733
Insurance	2,358	3,240
Ground rent	6	6
Stationery	3,887	3,952
Subscriptions and publications	1,930	1,504
International organisations membership fees	15,743	15,060
Repairs and maintenance	7,764	8,447
Public relations	3,392	3,852
Duty visits abroad	10,753	12,891
Transport	1,636	1,798
MBA annual reports	2,078	2,031
Advertising	2,787	7,632
Rentals of radio & T.V. sets	2,455	1,372
Broadcasting academy	-	1,735
Sundry expenses	5,057	3,844
Auditors' remuneration	518	518
Legal and professional fees	4,433	1,946
Depreciation	22,796	21,409
Gharghur site running costs	18,054	476
Loss on disposal of fixed assets	79	-
- to page 90	Lm 230,837	Lm 236,495
<b>ANNUAL EVENTS</b>		
Programme Awards	16,965	9,236
Audience research study	11,881	9,637
- to page 90	Lm 28,846	Lm 18,873



## PROFIT AND LOSS ACCOUNT SCHEDULES (continued)

	1999 Lm	1998 Lm
<b>PRODUCTION DEPARTMENT</b>		
Wages and salaries	-	5,830
Production of documentaries	-	656
TV Political and general election broadcasts	588	3,364
Sundry	-	5
Depreciation	14,926	7,451
Transport expenses	-	236
- to page 90	<u>Lm 15,514</u>	<u>Lm 17,542</u>
<b>MONITORING DEPARTMENT</b>		
Wages and salaries	64,424	55,297
Purchase of audio tapes	4,624	163
Depreciation	3,698	3,705
Sundry	447	80
Repairs and maintenance	86	-
Research costs	5,743	-
- to page 90	<u>Lm 79,022</u>	<u>Lm 59,245</u>
<b>TECHNICAL DEPARTMENT</b>		
Wages and salaries	-	4,616
Repairs and maintenance	1,091	-
Depreciation	647	647
Sundry	201	-
- to page 90	<u>Lm 1,939</u>	<u>Lm 5,263</u>





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