

ANNUAL REPORT 2017

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L-Awtorità tax-Xandir MALTA Broadcasting Authority



The Hon. Dr Joseph Muscat KUOM, Ph.D., M.P Prime Minister Office of the Prime Minister Auberge De Castille Valletta

June 2018

Honourable Prime Minister,

Broadcasting Authority Annual Report 2017

In accordance with sub-article (1) of article 30 of the Broadcasting Act, Chapter 350 of the Laws of Malta, we have pleasure in forwarding the Broadcasting Authority's Annual Report for 2017.

Yours sincerely,

Mr Martin Micallef Chairman

Dr Joanna Spiteri Chief Executive Officer

CONTENTS

1.	Review	9	
	1.1	The Broadcasting Authority	9
	1.2	Operational duties in relation to the General Election 2017	9
	1.3	Political broadcast scheme	11
	1.4	Thematic Reports compiled by the Monitoring Department	11
	1.5	Reach-out	11
	1.6	Wear it Pink	12
	1.7	Sponsorship - Certificate Course in Proof Reading	12
	1.8	The Malta Television Awards	12
	1.9	Sponsorship - Malta Journalism Awards	12
	1.10	Audiovisual Media Directive (AVMSD)	12

2. Political Broadcasts

4.

15

3. Administrative Offences

18

31 31 31

32

Progra	amme Complaints	20
4.1	Moviment Patrijotti Maltin vs PBS Ltd (TVM News)	20
4.2	Moviment Patrijotti Maltin vs PBS Ltd (TVM News)	20
4.3	Moviment Patrijotti Maltin vs PBS Ltd (Radju Malta - "Għandi Xi Ngħid")	21
4.4	Nationalist Party vs PBS Ltd (TVM News)	22
4.5	Nationalist Party vs PBS Ltd (TVM News)	22
4.6	Nationalist Party vs PBS Ltd (TVM News)	23
4.7	Nationalist Party vs PBS Ltd (TVM News)	23
4.8	Nationalist Party vs PBS Ltd (TVM News)	24
4.9	Nationalist Party vs PBS Ltd (TVM News)	24
4.10	Nationalist Party vs PBS Ltd (TVM News)	25
4.11	Labour Party vs PBS Ltd (TVM News)	25
4.12	Labour Party vs PBS Ltd (TVM News)	26

5.	Broadca	sting Licences					
	5.1	Radio Broadcasting Licences					
		5.1.1	Community Radio Stations				
		5.1.2	Drive-In Cinema Event				
		5.1.3	Nationwide Analogue Radio (FM/AM)				
		5.1.4	Digital Radio Platform				
	5.2	Television Stations					
		5.2.1	Migration of GIO frequency by PBS				
		5.2.2	GIO Licences and Multiplex				
		5.2.3	Commercial Television Licences				
		5.2.4	Satellite Television Licences				
6.	International Relations						
	6.1	Mediterranean Ne	twork of Regulatory Authorities				

6.2	European Union	
-----	----------------	--

6.3 Media Literacy Expert Group Meeting 2017

6.4	European Platform of Regulatory Authorities (EPRA)	34
6.5	European Regulators Group for Audiovisual Media Services (ERGA)	35

7.	Radio	and Television Audience Assessment	36
	7.1	Radio	36
		How many people listened to Radio?	36
		Which Radio Station had the highest number of listeners?	37
		How long did listeners tune in?	37
		What were the largest number of listeners at any one time?	38
		Which Radio Station had the largest percent of audiences?	39
		What type of Radio-set do people use?	40
	7.2	Television	40
		How many people watch TV	40
		Which TV Station had the highest number of viewers?	41
		How much time did TV viewers spend watching television?	42
		What was the largest number of TV viewers at any one time?	42
		Which TV Station had the largest percent of audiences?	43
		What are the favourite programme genres?	44
		What type of reception service is used?	45
		What kind of programmes do minors watch?	45
Repor	t and Fin	ancial Statements for the year ended 31st December 2017	47

CHAIRMAN'S STATEMENT

The Annual Report is a short moment of reflection over a period in the life of an organisation. In a few pages achievements and disappointments, smiles and tears, positives and negatives, are there to be shared and scrutinised.

For the Broadcasting Authority 2017 was a particularly eventful year. I take the opportunity to once again, on behalf of the BA and the Board, express our deep condolences to the family of my predecessor, Mr. George Mifsud, who served for a few weeks as Chairman of one of the oldest constitutional institutions in Malta.

My two-year term started the day after a snap General Election was called on 1 May 2017. In a matter of days, the management and staff were ready in full gear to cope with all the constitutional obligations to manage a short electoral campaign. On the whole the Broadcasting Authority was satisfied with the way tv and radio represented the public debate and where necessary, the BA promptly intervened, both informally and formally, to achieve the required balance and impartiality.

From June onwards it was a challenging year. Mainly to understand the current state of the local broadcasting scenario and how to further strengthen the role of the regulator within a vital industry in the democratic dynamics of modern and future societies.

Relations with all stakeholders were improved and the presence and function of the Authority were further consolidated. Visits were held at all licensed broadcasters during which ideas and proposals on current and future issues were exchanged.

From an international and EU perspective, the Authority was extremely active 2017 with the chairmanship of the AVMS working party as part of the Maltese Presidency of the European Council. The BA chief executive was chairing this working party and brought the AVMS Directive to a General Approach at the European Council in May 2017. The discussion on the AVMS focused on making the Directive on Audio Visual as future proof as possible in view of the evolving media landscape which would impinge on the change in the audio visual legislation. Apart from this active involvement on EU level, the Authority participated in the yearly events of the European Platform for Regulatory Authorities (EPRA) meetings and those of Mediterranean Network of Regulatory Authorities (MNRA) and the European Regulators Group for Audiovisual Media Services (ERGA). The Authority is also involved in the audio visual policy through the participation of contact committees at the EU level.

The Authority continued to provide sponsorship to the Institue of Maltese Journalists (IGM) for the Broadcasting Journalism Awards event and sponsorship of the Certificate Course in Proof Reading in the Maltese Language for media workers of the national broadcasting media. For 2017, the Authority gave its contribution as well in the TV Programme Awards which were held in early May.

The authority also carried improvements in the audience survey which is done on a regular basis every year. This survey is commissioned by the Broadcasting Authority and the data is collected by NSO. This year the Authority felt the need to emend some of the questions asked to the media consumers in order to have a better picture of the media consumption. This is an ongoing process and the Authority will be continuing to work on improving in media consumption data.

From a financial point of view the Broadcasting Authority needs further support since its subvention has not changed for a number of years while the recurrent expenditure, such as increases in salaries due to new collective agreements, and capital investments, particularly at the Għargħur Transmitter Site, need immediate input to be fulfilled.

The Broadcasting Authority is confident that the challenges that lie ahead, including the update and consolidation of the Broadcasting Act and Subsidiary Legislation, the transposition of the AVMS with new regulatory requirements, among other own initiatives, will be successfully managed only in collaboration with the main stakeholders, namely Television and Radio Stations, which daily, at a national or community level, give a service which society cannot do without.

Finally may I thank the staff and all the board members and the management team for their precious collaboration and experience, and for their guidance.

Martin Micallef Chairman



together with the Chairman of the Broadcasting Authority, Martin Micallef, other Board Members, the Chief Executive, Dr Joanna Spiteri and the Board's Secretary, Dr Simon Manicolo.

Outgoing Board Member, Christian Scicluna (above).



01 REVIEW OF THE YEAR

1.1 The Broadcasting Authority

This year under review was another year of changes and developments with two changes in chairmanship and a snap General Election being called on 1st May 2017. The first change occurred with the resignation of Ms Tanya Borg Cardona from the chairmanship of the Broadcasting Authority on 28th March 2017. Following this resignation, a new chairman, Mr George Mifsud, was appointed on 8th April 2017; however, his tenure was one of the shortest in the history of the Broadcasting Authority as he passed away after two weeks, on 23rd April 2017. He was succeeded by Mr Martin Micallef who had to start working immediately on Directives for a General Election campaign since the General Election which was held on 3rd June 2017, was announced on 1st May 2017.

In 2017 the term in office of the Board members had expired and one of the board members, Mr Christian Scicluna, was not reappointed. His term of office ended on 31st December 2017 and he was replaced by Mr Charlo Bonnici on 1st January 2018.

During the year in review the Authority held a total of 26 meetings.

1.2 Operational duties in relation to the General Election 2017

The Broadcasting Authority actively monitors campaign coverage and during this period of time a specific schedule of monitoring duties is assigned to the Monitoring Department to closely monitor programming content during the electoral period. These monitoring duties consist of political programmes and all other programmes which concern any aspect of a political or an industrial controversy or which refer to current public policy. Radio and TV programmes were rigorously monitored and when any breaches were highlighted, these were put forward immediately to the Authority's Board for urgent discussion and decision. Moreover, charges were issued against political and commercial stations and such charges not only covered programmes but also political advertisements which were broadcast during the electoral campaign. During the electoral campaign, eight charges were issued against these stations, which resulted in three fines and five warnings.

The Authority was thus composed of:

Chair

Ms Tanya Borg Cardona Mr George Mifsud Chev. Martin Micallef M.A.

Members

Dr Alessandro Lia LL.D. Mr Frans Ghirxi Dr Peter Fenech M.A., LL.D. Mr Christian Scicluna Mr Charlo Bonnici, B.A., Dip. Ger, M.A. (Leicester)

Chief Executive

Dr Joanna Spiteri, B.A. Hons. (Communication Studies), M.A., Ph.D

Secretary

Dr Simon Manicolo B.A., LL.D.

(terminated on 28/03/2017) (appointed 08/04/2017 and terminated on 23/04/2017) (appointed on 24/04/2017)

> (terminated on 31/12/2017) (appointed on 01/01/2018)

MALTA JOURNALISM AWARDS

27th Edition - 6 May 2017

Broadcasting Authority Main sponsor of Broadcast Media of the 27th Edition MALTA JOURNALISM AWARDS

The four categories sponsored by the Broadcasting Authority in broadcast journalism:

- TV script News;
- TV script Features;
- Broadcast Film Journalism, and
- Broadcast Radio Journalism.



Broadcast Radio Journalism -Keith Demicoli, Radju Malta



TV Script News -Keith Demicoli, PBS



Broadcast Film Journalism -Alvin Scicluna, TVM



TV Script Features -CVC Media, TVM

IN SUPPORT OF PINK OCTOBER



ANNUAL REPORT 2017

Further to the monitoring duties, the Authority issued a Directive to achieve impartiality and balance during the electoral campaign. A number of instances, particularly in relation to lack of adherence to impartiality, were settled without the need of charges. In other instances, the Broadcasting Authority sent a number of notifications to the broadcasting station to adhere to the regulations and legislation particularly regarding the lack of adherence regulations pertaining to impartiality. Apart from the charges, the Broadcasting Authority received 9 complaints and acted upon these within 24 hours.

Also during the electoral campaign the BA was called upon by the Nationalist Party to give a ruling over the interpretation and the parameters outlined in Sub-paragraph 3(3)(ii) of its General Election Directive dealing with the presentation of programmes by candidates or perspective candidates of the said election.

1.3 Political broadcast scheme

During the year under review the Authority organised a scheme of political broadcasts which included a number of debates and press conferences wherein political parties were invited to debate issues as part of the General Election political campaign. Apart from debates and press conferences, the scheme also consisted of political spots and/or productions prepared by political parties under the scheme of the BA political broadcasts.

1.4 Thematic Reports compiled by the Monitoring Department

During the year the Monitoring Department compiles a number of thematic reports which focus on particular issues and trends arising from the daily monitoring of a wide range of broadcasts both on television and radio. These are based on risk assessment reports which are carried out following each season's change of schedules.

One of the main themes addressed during the first part of the year was the production and broadcasting of telethons for fundraising. Reports on this type of broadcast for *Dar Nazareth*, *L-Istrina* and *Id-Dar tal-Providenza* highlighted the different ways each production dealt with issues such as the portrayal of vulnerable persons and people with disabilities, advertising content, and political exposure.

Another aspect given due consideration was the everincreasing commercial influence exerted over editorial content. Apart from the traditional advert breaks, today's viewers are exposed to commercial elements embedded in the programmes' content. Whilst this form of advertising is acceptable, there are a number of obligations which need to be adhered to. Unfortunately, the blurring between editorial and commercial content is leading to an increase in subliminal techniques which requires a thorough investigation to be analysed. Furthermore, given that different genres have different obligations, further study is required to assess and confirm trends and/or influences.

Politics were centre stage during 2017, particularly in the run-up to the June General Election. Nevertheless, the Department's focus on political issues did not only relate to this period. Throughout the year the Department also compiled reports on news trends and content analysis of the main news bulletins presented on NETTV and ONE.

Whilst the provisions regulating radio broadcasting are fewer than those applicable to audiovisual communications, compliance is still essential. Hence a number of transmission reports are conducted in order to assess whether radio stations are faithful to their promise of performance, both qualitatively and legally.

As previously mentioned, the Monitoring Department does not only focus on compliance. In fact a number of thematic reports are drawn up in order to shed light on several issues of a qualitative nature, ranging from food hygiene and health and safety aspects in the workplace to a more generic analysis of transmissions highlighting technical and presentation issues in both pre-production and post-production stages.

1.5 Reach-out

In March 2017 the Broadcasting Authority participated in a panel discussion which marked International Women's Day. This conference was organised by the National Commission for the Promotion of Equality (NCPE) and discussed decision making in the labour market and in politics as well as media and stereotypes. Dr Joanna Spiteri spoke about the need to introduce media literacy and the need for the regulator to provide training for the stakeholders and media people to address the negative impact of stereotypes. Dr Spiteri suggested proposals on the way forward to help the media industry address this issue.

On 20th November, the Broadcasting Authority together with the CRPD organised a half day seminar to television and radio managers on the portrayal of persons with disability on the media. This seminar was addressed by Mr Oliver Scicluna who spoke about the role of the Commission for the rights of Persons with Disability, followed by Dr Joanna Spiteri who spoke about the representation and portrayal of disability in the media wherein examples of best practices were presented and discussed.

1.6 Wear it Pink

Last year, the Authority once again took part in the Pink October philanthropic initiative aimed to raise awareness and funds for the fight against breast cancer. In October, the Broadcasting Authority staff were encouraged to wear something pink and make a donation.

1.7 Sponsorship - Certificate Course in Proof Reading

The Broadcasting Authority continued its support to promote the correct use of the Maltese Language on the broadcasting media and apart from being the regulatory body, the Authority feels the need to provide training and support for stakeholders. In this regard, the Authority again sponsored media personnel to follow a course in proof reading of the Maltese Language. The course is organised by the University of Malta and lasts for a year. The Broadcasting Authority sponsored five broadcasters who were interested in following this course. The five beneficiaries signed an agreement with the Authority making a commitment to attend all the sessions and sit for examinations of this Diploma course which leads to a Certificate of Recognition valid for 5 years.

This year the Authority sponsored five candidates for this course. Three of these were from a local television station: Mario Frendo, a journalist; Leonard Pace, graphics designer; and Marlene Ciantar who directly deals with this station's customers. The other two candidates were Graziella Ellul coming from an independent production company while the other candidate works for a Gozitan Community Radio station.

1.8 The Malta Television Awards

The Broadcasting Authority has collaborated with Mermaid Media Entertainment Ltd to organise The Malta Television Awards, an event aimed at raising standards in local broadcasting and rewarding the best. It is a combination of talent, creativity, training and sheer hard work which produces that which entertains and informs the viewer. The Broadcasting Authority's role was to organise the programme categories for this awards event. It was also involved in selecting the jury, administering the workings of the jury and the results. There were 28 categories in all and 36 judges were chosen to adjudicate different aspects of TV broadcasting. Such an event is not to be considered as a competition but a celebration of what is shown on the small screen. The Malta Television Awards are an acknowledgement of the highest degree. In spite of the industry's limited resources, the Authority notes that much of what is produced is of a professional level in most aspects and the event itself contributed to highlight quality in TV broadcasting. The Malta Television Awards was held on 6th May 2017 at *Pjazza Teatru Rjal*, Valletta.

1.9 Sponsorship - Malta Journalists Awards

The Authority this year again gave its full support to promote good quality journalism on radio and television and for another consecutive year, the Authority sponsored four categories listed below.

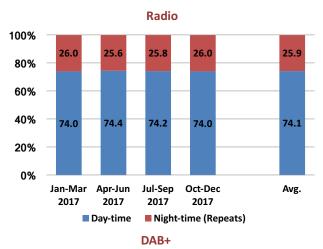
The winners of the respective categories were:

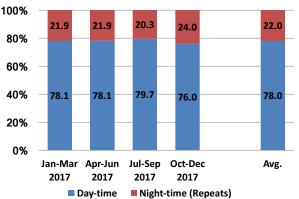
- Broadcast Journalism TV Script News: Keith Demicoli (PBS)
- Broadcast Journalism TV Script Features: CVC Media (TVM)
- Broadcast Journalism Film: Alvin Scicluna (TVM)
- Broadcast Journalism Radio: Keith Demicoli (Radju Malta)

1.10 Audiovisual Media Directive (AVMSD)

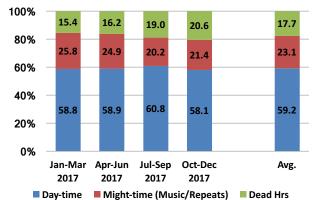
The Broadcasting Authority continued to be involved in the discussions with regard to the Audiovisual Media Directive which was being discussed and drafted on a European level. After giving its direct input during the Maltese Presidency in 2016, the following year (2017), the Authority continued to give its continuous feedback on the revision of this legislation before every working group or trialogues which were held during 2017. Such legislation will apply to broadcasters, but also to video-on-demand and video-sharing platforms, such as Netflix, You tube or Facebook as well as to the live streaming on video sharing platforms. Amongst other content such legislation enhanced protection of minors, rules on advertising and rules on percentage of European content. It also focused on the independence of broadcasting regulators and the role of ERGA (European Regulators Group for Audiovisual Media Services).

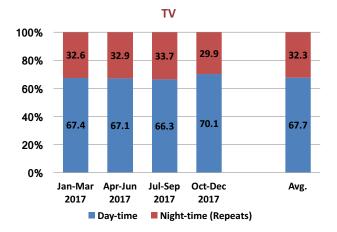
BROADCASTING SNAPSHOT





Community Radio Stations





RADIO

13 Nationwide radio stations

- 2,184 hrs of weekly broadcasts
- 1,619 hrs of programmes
- 565 hrs of night-time repeats

DAB+

4 Stations:

- 672 hrs of weekly broadcasts
- 524 hrs of programmes
- 148 hrs of night-time repeats

COMMUNITY RADIO

24 Stations:

- 4,410 hrs of weekly broadcasts
- 2,610 hrs of programmes
- 1,021 hrs of night time repeats
- 779 hrs Close-down

TELEVISION

10 Stations (Excluding *iTV*, Yes Lifestyle & Parliament TV):

- 1,176 hrs of weekly broadcasts
- 797 hrs of programmes
- 379 hrs of night time repeats

MALTA TELEVISION AWARDS

6 May 2017





02 POLITICAL BROADCASTS

During the year under review the General Elections were held on Saturday, 3rd June 2017. In virtue of the powers conferred by Article 15 and 23 of the Broadcasting Act, the Broadcasting Authority issued a Directive outlining the rules to be adopted by all broadcasting stations during the period 8th May to 3rd June.

For the General Elections the political broadcasting scheme organised by the Authority consisted of four political debates, two press conferences and representations by independent candidates as follows:

15 May - PL Debate

- Labour Party: Dr Helena Dalli and Silvio Schembri
- Nationalist Party: Dr Marlene Farrugia and Clyde Puli

17 May - PN Debate

- Nationalist Party: Dr Mario Demarco and Dr Marthese Portelli
- Labour Party: Dr Deborah Schembri and Julia Farrugia

22 May - Press Conference

"Jien Nagħżel Malta" - topic chosen by Nationalist Party Dr Simon Busuttil, PN Leader, replied to questions made by five journalists:

- Reno Bugeja, PBS Ltd.,
- Karl Stagno Navarra, ONE;
- Keith Micallef, Allied Newspapers;
- Miriam Dalli, Mediatoday;
- Corey Formosa, Union Print.

24 May - Press Conference

"L-Aqwa Żmien ta' Pajjiżna" - topic chosen by Labour Party

Dr Edward Zammit Lewis, P.L., replied to the questions of five journalists:

- Reno Bugeja, PBS Ltd.;
- Mario Frendo, Net TV;
- Rachel Attard, The Malta Independent;
- Darren Carabott , Il-Mument;
- Josianne Camilleri, RTK.

27 May - Independent Candidates

Two independent candidates contested the General Elections: Joseph Aquilina and Nazzareno Bonnici.

Nazzareno Bonnici did not accept the Authority's invitation. An interview by TVM's anchor, Mario Micallef, with Joseph Aquilina was broadcast

29 May - Debate AD, MPM, and AB

- Moviment Patrijotti Maltin, Henry Battistino - Alleanza Bidla, Ivan Grech Mintoff

Alternattiva Demokratika did not participate in this debate under protest.

31 May - Political Messages by AB, AD and MPM

31 May - Debate PL, PN

Final Debate between the political leaders of Labour Party and Nationalist Party.



In addition, airtime in the form of party productions/spots was assigned to all political parties, groups and movements. The Labour Party and Nationalist Party were allocated a total of 120 minutes each while AD, MPM, and AB were each allotted a total of 20 minutes for such productions.

Of particular relevance was that all the 59 political spots as well as the 10 political broadcasts were streamed on the Authority's *YouTube* channel as soon as these were broadcast nationwide on local TV channels.

GENERAL ELECTION 2017



15 May - PL Debate

- Labour Party: Dr Helena Dalli and Silvio Schembri (below);
- Nationalist Party: Dr Marlene Farrugia and Clyde Puli (left).



17 May - PN Debate





Dr Simon Busuttil, PN Leader, replied to questions made by five journalists:

- Reno Bugeja, PBS Ltd., _
- Karl Stagno Navarra, ONE;
- Keith Micallef, Allied Newspapers;
- Miriam Dalli, Mediatoday;
- Corey Formosa, Union Print.



GENERAL ELECTION 2017



27 May - Independent Candidate Joseph Aquilina (above).

24 May - Press Conference

Dr Edward Zammit Lewis, PL, replied to the questions of five journalists:

- Reno Bugeja, PBS Ltd.;
- Mario Frendo, Net TV;
- Rachel Attard, The Malta Independent;
- Darren Carabott , Il-Mument;
- Josianne Camilleri, RTK.





29 May - Debate AD, MPM, and AB Moviment Patrijotti Maltin, Henry Battistino (top left); Alleanza Bidla, Ivan Grech Mintoff (top right).

31 May - Political Messages by AB, AD and MPM Message by AD, Prof Arnold Cassola (left).

31 May - Debate PL, PN Final Debate between the political leaders of Labour Party and Nationalist Party.



O3 ADMINISTRATIVE OFFENCES

In terms of the Article 41 of the Broadcasting Act, the offences listed in the Fifth Schedule to the Act are considered to be administrative offences and punishable by the Authority. In determining whether a person is guilty or otherwise of an administrative offence, it is the duty on the part of the Authority to ensure that the principles of a fair and public hearing are observed and guaranteed.

In the event that the Authority is satisfied that the person has committed an offence as listed in the First Column of the Fifth Schedule under the Act, it may:

- (a) issue a warning in writing; or
- (b) direct the offender not to broadcast for a period of time; or
- (c) impose an administrative penalty as established in the second column of the Fifth Schedule to the Broadcasting Act, including applying a suspended penalty.

The Authority may choose to apply separately or concurrently the measures listed in (b) and (c).

During the year in review, the Chief Executive issued a total of 22 charges against broadcasting stations. The issuing of charges and the procedures related to the hearing thereof are regulated under Article 41 of the Broadcasting Act and Subsidiary Legislation 350.07.

During these proceedings the Authority acts as a quasi-judicial body where the Chief Executive acts as a prosecutor, which role is completely distinct from the other functions pertaining to his office.

The table hereunder represents the total number of charges processed by the Authority in 2017 according to station.

2017	Station		Charges
Radio	Bay Radio		2
	Deejays Radio		1
	ONE Radio		2
	Radju Malta		1
	RTK		1
Television	F Living		4
	ONE		4
	NET TV		2
	TVM		4
		Total	22
These 22 charges were decided as follows:	Warnings:		5
	Fines:		13
	Not Upheld:		1
	Suspension of Fine:		3
		Total	22

Station Television	Programme	Broadcast	Charge	Breach
F Living	Transmission	28 September	Advertising exceeds 20% per clock hour	Paragraph 15 of the Third Schedule
F Living	Esperjenza	2 October	Surreptitious advertising	Article 16K(a) of Broadcasting Act
F Living	Nista'	31 January	Advertising exceeds 20% per clock hour	Paragraph 15 of the Third Schedule
F Living	In Depth	13, 15, 20 and 24 May	Change in original programme schedule without approval	Article 15
ONE	Arani Issa	14 October	Surreptitious advertising; undue prominence in product placement; new advertising techniques not kept distinct from other parts of the programme; and viewers not clearly informed of the existence of product placement	Article 16K(a); Article 16M(3)(c); Paragraph 5 of the Third Schedule and Article 16M(3)(d)
ONE	Klassi Għalina	6, 13 November, 2016; 4, 18 December 2016	Advertising exceeds 20% per clock hour	Paragraph 15 of the Third Schedule
ONE	Transmission	8 May till 3 June 2017	Political Advertising	Article 15
ONE	Transmission	25 May	Political Advertising	Article 15
NET TV	Baker's Kitchen	25 October and 8 November	Undue prominence in product placement	Article 16M(3)(c)
NET TV	Jien Nagħżel Malta	23 May	Presenter was candidate for General Election	Article 15
TVM	Gadgets	17 December 2016	Surreptitious Advertising	Article 16K(a)
TVM	Skjetti	22 October	Sponsorship of News and Current Affairs programmes	Article 16L(4)
TVM	Tough Luck	14 and 21 August	Undue prominence in product placement	Article 16M(3)(c)
TVM Radio	Twelve to 3	3 November	Surreptitious Advertising	Article 16K(a)
Bay Radio	Bay Breakfast with Daniel and Ylenia	18 October	Transmission before 9pm of tattoo advertising; bad taste	Paragraph 2.2 and 2.3 of S.L. 350.23; Article 13(2)(a)
Bay Radio	Transmission	8 May till 3 June 2017	Political Advertising	Article 15
Deejays Radio	Transmission	1 and 2 July	Advertising of businesses outside specified area of community radio station	Paragraph 2(a)(ii) of First Schedule
Radio Galaxy	Transmission	28 and 29 July	Advertising of businesses outside specified area of community radio station	Paragraph 2(a)(ii) of First Schedule
ONE Radio	Transmission	25 May	Political Advertising	Article 15
ONE Radio	Transmission	8 May till 3 June 2017	Political Advertising	Article 15
Radju Malta	Familja Waħda	4 and 7 August	Advertising and teleshopping not readily distinguishable from editorial content	Paragraph 4 of Third Schedule
RTK	Transmission	8 May till 3 June 2017	Political Advertising	Article 15

②④ PROGRAMME COMPLAINTS

4.1 Complaint by the Moviment Patrijotti Maltin vs PBS Ltd (TVM News)

The Case:

Moviment Patrijotti Maltin (M.P.M.), a Movement contesting the General Election filed a complaint with the BA against PBS Ltd dated the 4th January, 2017 in relation to the lack of reporting in the *News* bulletin of a Press Release issued by the same M.P.M.

Submissions:

The M.P.M. contended that the Press Release referred to the fact that the Government was to allocate €93 million EU Funds to security and migration initiatives when in Malta there were some 100,000 people suffering poverty, and therefore such spending was excessive. The M.P.M. argued that this matter constituted news value and expressed its surprise that PBS Ltd considered otherwise when on the same day it had reported events of far less importance.

The M.P.M. argued that the Press Release contained four elements of importance namely

- (i) the revocation of the Schengen Treaty;
- (ii) the reactivation of the Borg Olivier treaty of 1970;
- (iii) the holding of a referendum on integration; and
- (iv) the holding of a census every ten years on Maltese and Gozitan residents.

The M.P.M. added that, with regards to the referendum, it had already collected 10,000 signatures and listed a number of other events which were completely omitted from the news reports.

In its defence, the station held that the Press Release under discussion was in reply to a similar communication by the Government, and given that the first one was not reported, the station could not broadcast the reply. The station further pointed out a number of instances where it had covered M.P.M. events in its *News* bulletins.

Decision:

In its decision, the Broadcasting Authority made reference to the Broadcasting Act and its dispositions on accuracy and impartiality and in particular paragraph 4.5 of Legal Notice 350.14 dealing with the Requirements on Standards and Practice for *News* bulletins and *Current Affairs Programmes* which obliges broadcasters to seek to do justice to the wide ranging views and perspectives when compiling news reports. At the same time, it is a well known fact that the decision of what constitutes news value lies at the discretion of the *News* Editor, and this principle has always been respected and confirmed by the same Authority throughout. In this context and given the circumstances of the case, the Authority decided that the complaint was unfounded and therefore it was not upheld.

4.2 Complaint by the *Moviment Patrijotti Maltin* vs PBS Ltd. (TVM News)

The Case:

Moviment Patrijotti Maltin (M.P.M.) filed a complaint with the Broadcasting Authority against PBS Ltd dated the 16th April, 2017 in relation to the latter's report on 8th April of a Press Conference held by the M.P.M. which report was deemed unfair, untruthful and incorrect.

Submissions:

The M.P.M. pointed out that on the 8th April 2017 the Movement was launched as a formal contender for the General

ANNUAL REPORT 2017

Election, and contrary to the report on PBS Ltd, at no time did it give the impression that the Electoral Commission had accepted/confirmed its statute. The M.P.M. argued that the erroneous reporting by PBS Ltd had brought about a negative reaction from the Commission and was detrimental to the same M.P.M. In view of this, the Movement had requested a right of reply to rebut the inaccurate and misleading feature.

In its defence, the station argued that it had reported the M.P.M.'s event one hour after it took place and at that point there had been no complaints. It added that the complaint was filed just after the Electoral Commission issued a clarification stating that at that point the statute of the M.P.M. was still being reviewed and had not been approved and therefore this was not a case of a right of reply.

Decision:

In this case and after taking note of the submissions of the parties the Broadcasting Authority decided to uphold the complaint since it was clear from said submissions that the station had presented an incorrect report on the Press Conference by M.P.M. This was further confirmed and was evident through the filming presented by the same M.P.M. in which it was never stated that the Electoral Commission had approved the statute of the M.P.M. but merely that the said statute was presented to the same Commission.

4.3 Complaint by Moviment Patrijotti Maltin vs PBS Ltd (Radju Malta (Għandi Xi Ngħid)

The Case:

Moviment Patrijotti Maltin (M.P.M.) filed a complaint with the Broadcasting Authority against PBS Ltd dated the 2nd May 2017 in relation to comments made by the presenter of a radio programme "Għandi Xi Ngħid" on *Radju Malta* of the 29th April, 2017 and the lack of participation of the M.P.M. in a discussion during the said programme.

Submissions:

The M.P.M. pointed out that it was informed that the station had in fact drawn the attention of the presenter about the shortcoming and that the latter bound himself to invite its representatives for a future programme dealing with a similar topic, namely ethnicity. In addition, the M.P.M. argued that in its complaint it had requested a public apology, and as a form of remedy, that its representative is invited to participate in an edition of the programme in order to clarify its position and to rebut the comments made by the presenter.

In its defence, the station confirmed that it had drawn the attention of the presenter, nevertheless it could not demand a public apology from him. In addition, if held that the complaint had two main elements, namely the issue of balance and the clarification of comments made during the programme. The station argued that the issue of balance could be resolved by affording the M.P.M. proportionate time to air its views. It pointed out that this did not imply that the M.P.M. would participate during a whole programme. On the issue of clarification this could be dealt with in the form of a right of reply which would be read out during the opening of the programme by the presenter.

Decision:

In this case, and after taking note of the submissions of the parties, the BA decided that the complaint was justified and that in this case there were two elements which needed to be addressed ie the argument about imbalance concerning M.P.M. and the right of reply from the same M.P.M. In view of this, the Broadcasting Authority decided and directed that M.P.M. was to be afforded time to pronounce itself by phone for five minutes in the subsequent programme of the same series. In addition the Authority ordered the station to broadcast a right of reply in terms of law to be read out by the presenter in the initial part of the following programme. Regarding the right of reply, the Authority reminded M.P.M. that in its presentation it had to address exclusively the contested points that had emerged in the programme. In this sense, the Authority directed that the text of said reply had to be presented to the station and itself beforehand, not later than the 11th May 2017.

4.4 Complaint by Nationalist Party vs PBS Ltd. (TVM News)

The Case:

The Nationalist Party filed a complaint with the Broadcasting Authority against PBS Ltd dated 6th May 2017 in relation to the *News* bulletin broadcast on the 3rd May 2017 in which case it contended that certain verbs and tactics adopted in the said bulletin were intended to influence the reasoning and fair judgement of the listener/viewer.

Submissions:

The Nationalist Party, whilst referring to a number of instances, contended that the use of certain verbs and reporting tactics in *News* reports had a negative effect and were intended to confuse and condition the listeners and viewers as to the actual message. The Party argued that, in similar situations abroad, news stations would seek to obtain first-hand information through investigation and not rely on hearsay. The Party contended that, in the absence of such a practice, the station had to be more diligent and careful in its reporting, seek to remain loyal to the actual political message and not in any way diminish the importance of the content.

In its defence, the station argued that the function of the Authority in such a case was limited to determining and ascertaining impartiality and not to replace the editor of the station. In addition, the station contended that the case under discussion dealt with the use of verbs in reports, and the Authority was being called upon to investigate. The station held that the Authority could not intervene unless there resulted serious and unequivocal shortcomings, adding that newspapers had adopted techniques to distinguish between fact and comment but this could not be applied to broadcasting. The station called on the Authority to determine whether the alleged shortcomings were systematic over a period of time.

Decision:

In this case and after taking note of the submissions of the parties and the relative documentation, the BA decided that the complaint was unjustified and therefore refrained from upholding same.

Nevertheless, the Authority pointed out and took the opportunity to remind all the *News* Editors of their obligation to be sensitive in their choice of words in **News Reports and Features**, in particular during an Election Campaign.

4.5 Complaint by Nationalist Party vs PBS Ltd. (TVM News)

The Case:

The Nationalist Party filed a complaint with the Broadcasting Authority against PBS Ltd dated 6th May 2017 in relation to the *News* bulletin broadcast on the 4th May, 2017 in which it contended that a report regarding a court decree in the court case involving an investigation on Mr Keith Schembri and Mr Brian Tonna was presented in such a way as to conceal the Government's inactions.

Submissions:

The Party argued that the obligation of the public broadcaster to report clearly and faithfully reached its pinnacle in the ambit of Court decisions in which case the viewer has a right to be informed correctly and truthfully on the deliberations and motivations presented by the Magistrate leading to said decision. In the case under discussion, the Party claimed that it was a well known fact that the Magistrate had decided that there were sufficient facts to merit an investigation on Mr Keith Schembri and Mr Brian Tonna but that this did not emerge from the news report and the listener/viewer was unable to comprehend what actually was decreed by the Court. The Party contended that this was a serious deliberate shortcoming which negatively impacted the feature.

In its defence, the station argued that the Court decree was in fact reported on other media. Nevertheless, it could be the case that there were different incorrect interpretations of what was actually decided by the Magistrate. Whilst explaining the legal technicalities involved in such a Court procedure, the station held that the complaint was frivolous and vexatious because the report as a whole was faithful to the Court decree.

Decision:

In this case and after taking note of the submissions of the parties and the relative documentation, the BA decided that the complaint was unjustified and therefore refrained from upholding same.

4.6 Complaint by Nationalist Party vs PBS Ltd. (TVM News)

The Case:

The Nationalist Party filed a complaint with the Broadcasting Authority against PBS Ltd dated 7th May 2017 in relation to the *News* bulletin broadcast on the 5th May, 2017 in which case it contended that the use of certain verbs and tactics in the report was unacceptable and further it questioned the omission of three features from the General Election segment in the said bulletin describing this as a way to benefit the Labour Party in terms of time and exposure.

Submissions:

The Party contended that it had become normal practice for the station to differentiate between reports relating to the Prime Minister, Dr Joseph Muscat, and other reports of the Leader of the Opposition, Dr Simon Busuttil. It argued that the station used different verbs in different situations and different texts in crawls to the advantage of the Labour Party.

During the hearing, the Party referred to three features broadcast during the said *News* bulletin which did not form part of the batch of items dealing with the Electoral Campaign but were presented together with other generic items. The Party argued that these items, namely

- (i) the works on the Kappara junction;
- (ii) the motor-sports track; and
- (iii) the inauguration of a school in Rabat

were all of a party political nature resulting in an unfair distribution of airtime.

In its defence, the station argued that the first part of the complaint was already dealt with in other complaints and it could not understand the difference in the choice of words by the journalists. In relation to the crawls the station pointed out that these were intended to supplement the report and their choice was at the discretion of the editor. The station, whilst stressing the need for distinction, contended that the three features referred to were not deemed to be of a purely political nature and even though there was an election campaign, works by the Government continued.

Decision:

In this case and after taking note of the submissions of the parties and the relative documentation, the Authority decided that the complaint was unjustified and therefore refrained from upholding same.

4.7 Complaint by Nationalist Party vs PBS Ltd. (TVM News)

The Case:

The Nationalist Party filed a complaint with the Broadcasting Authority against PBS Ltd dated 8th May 2017 in relation to the *News* bulletin broadcast on the 7th May, 2017 in which case it contended that the station had reported and repeated what it termed a lie made by Dr Joseph Muscat during a mass meeting in Żabbar.

Submissions:

The Party contended that in its news item the station had reported what it termed a lie by Dr Joseph Muscat about what Dr Simon Busuttil had previously said without actually checking and verifying the facts. The Party said that at no time did Dr Busuttil insult the residents of the South, and this fact could be confirmed by PBS's journalists at the event.

In its defence, the station stated that, in the case of Mass Meetings, it allocates the same level of resources and facilities to both political parties and reports what the speakers actually say, and if a political party feels that what was said by the speaker was incorrect, it had other means to address the matter. In addition, the station pointed out that the following day it had actually reported the reply by Dr Simon Busuttil intended to rebut what was said by Dr Joseph Muscat.

Decision:

In this case and after taking note of the submissions of the parties and the relative documentation, the Authority decided that the complaint was unjustified and therefore refrained from upholding same.

Nevertheless, the Authority, fully cognisant of the rather difficult context journalists operate in during an Election Campaign, pointed out and took the opportunity to emphasise the obligation of stations to be sensitive and diligent when reporting and presenting political speeches.

4.8 Complaint by Nationalist Party vs PBS Ltd. (TVM News)

The Case:

The Nationalist Party filed a complaint with the Broadcasting Authority against PBS Ltd dated 17th May 2017 in relation to the *News* bulletin broadcast on the 16th May, 2017 in which case it questioned what it termed the manipulative tactics employed by the station in failing to report the candidature of Dr Godfrey Farrugia with the Nationalist Party and the deposition in Court of the whistle blower against Pilatus Bank in the Egrant case.

Submissions:

The Party requested an explanation as to why the station decided to completely fail to report the deposition in Court by the whistle blower in the Egrant case when this was deemed of significant importance, especially during an Election Campaign. The Party stressed that the public service station had an obligation towards its viewers/listeners not to act as a gatekeeper and therefore the deposition had to be reported in view of the allegations surrounding Egrant.

In its defence, the station argued that the court case referred to in the complaint was of a private and personal nature dealing with the payment of salaries with no news value whatsoever and in no way related to the Egrant investigation. The station contended that one could not expect that any action or situation relating to the whistle blower automatically constituted news value, nevertheless the station had reported widely all that the said whistle blower had to say in connection with the Egrant investigation.

The Party argued that in this case the station was acting inconsistently and it had acted differently when it reported what the Prime Minister said about the same individual when he said that she was accused of fraud and in another case the station felt that it had to report an ongoing Court case involving the husband of a former Gozo Minister when this was still *subjudice*. The Party said that there was no doubt as to the importance of the court proceedings in question since these were being reported by the vast majority of news portals and therefore in view of the Egrant investigation any court proceedings involving the whistle blower should be reported.

Decision:

In this case and after taking note of the submissions of the parties and the relative documentation, the Authority concluded that the moment the individual under discussion decided to become a whistle blower in the Egrant case, she automatically relinquished her privacy to a certain degree and entered the political fray/controversy and as such became subject to public scrutiny. This necessarily implied that her testimony in court in the said case had considerable importance and news value. In addition, the Authority noted that the station could not predict that said testimony would not present in itself issues of public interest. In view of these considerations, the Authority decided to uphold the complaint. Nevertheless, it refrained from awarding a remedy.

4.9 Complaint by Nationalist Party vs PBS Ltd. (TVM News)

The Case:

The Nationalist Party filed a complaint with the Broadcasting Authority against PBS Ltd dated 18th May 2017 in relation to the *News* bulletin broadcast on the 17th May, 2017 in which case it objected to a report of Dr Joseph Muscat quoting, as it was claimed 'erroneously', the Leader of the Opposition Dr Simon Busuttil to the detriment of the latter.

Submissions:

The Party contended that, in a report in relation to the political debate among political party leaders held at the University of Malta, the station attributed words to the Leader of the Opposition which in actual fact he did not say. The Party pointed out that a similar complaint was already presented before the Authority in which case it had drawn the attention of the station to be more accurate and diligent in its reporting.

In its defence, the station, whilst admitting that parts of the script could have been clearer, argued that it was obvious that this shortcoming was not intentional and called on the Authority to consider the report in its entirety and not in parts.

Decision:

In this case and after taking note of the submissions of the parties, the relative documentation and the admission of the station that confirmed the subject of the matter, the BA decided that the complaint was justified and thus upheld it. The Authority argued that even though it understood and acknowledged the context and pressures faced by journalists during an Election Campaign, it felt the need to underline the importance of precision and correctness in reporting for the benefit of listeners and viewers alike.

4.10 Complaint by Nationalist Party vs PBS Ltd. (TVM News)

The Case:

The Nationalist Party filed a complaint with the Broadcasting Authority against PBS Ltd dated 20th May 2017 in relation to the *News* bulletin broadcast on the 19th May, 2017 in which it objected to a report of a Press Conference addressed by Dr Joseph Muscat in which it was alleged that he made incorrect and untruthful claims over the proof presented by Dr Simon Busuttil in connection with the Egrant case on bribes and money laundering by Keith Schembri and Adrian Hillman.

Submissions:

The Party contended that in its report on the said Press Conference the station was incorrect when it attributed a question to Dr Joseph Muscat to a journalist of Media. Link Communications when in actual fact it was made by another journalist from a different newsroom. In addition, the Party argued that the said report was erroneous in the sense that it incorrectly stated that the question by the journalist dealt with the proof presented in court by Dr Simon Busuttil in connection to the Egrant investigation when this was not the case. The Party pointed out that this shortcoming was unfair to viewers since they were presented with information in the form of fact when this was not the case and was incorrect. The Party argued that it was strange how the report referred to Egrant when this was never mentioned.

In its defence, the station contended that this case differed from a previous one before the Authority and that this time the station was not assuming responsibility and this due to the fact that the feature was correct and fair and that the Leader of the Opposition did present proof in the Egrant case. In addition, the station argued that in a subsequent report it featured the reaction of Dr Simon Busuttil on the said company and therefore when taken together the two features presented a complete and comprehensive report to its viewers.

Decision:

In this case and after taking note of the submissions of the parties and the relative documentation, the Authority decided that the complaint was unjustified and therefore refrained from upholding same.

4.11 Complaint by Labour Party vs PBS Ltd (TVM News)

The Case:

The Labour Party filed a complaint with the Broadcasting Authority against PBS Ltd dated 22nd May 2017 in relation to the *News* bulletin broadcast on the 20th May, 2017 in which case it objected to what it termed unfair reporting resulting from the fact that a report of events by the Nationalist Party of a duration of 2'43" was longer than the report on events by the Labour Party which had a duration of 2'21".

Submissions:

The Party contended that the aim of its complaint was to sensitise the station that such a discrepancy in duration was unacceptable, especially during an Electoral Campaign, and that this approach by the station should not become systematic.

The station argued that, as with other cases, it was doing its utmost to present features and reports of equal duration whilst keeping in mind that this was not always possible. The station pointed out that the reports under discussion were of a different nature and it was the obligation of the station to present to the viewers a faithful and correct report of the respective activity. The station reiterated that there were instances when the situation was reversed.

Decision:

In this case and after taking note of the submissions of the parties and the relative documentation, the Authority decided that the complaint was unjustified and therefore refrained from upholding same.

4.12 Complaint by Labour Party vs PBS Ltd. (TVM News)

The Case:

The Labour Party filed a complaint with the Broadcasting Authority against PBS Ltd dated 22nd May 2017 in relation to the *News* bulletin broadcast on the 19th May, 2017 in which case it objected to remarks passed by the journalist reporting an event by the Nationalist Party in Mgarr deemed by the Party as political comment and not factual.

Submissions:

The Party contended that the use of the word 'xokkanti' (shocking) was a politically loaded term and the journalist could not make his a comment made by a speaker. It added that the mere fact that the words were uttered by the Leader of the Opposition did not render same as facts.

In its defence, the station argued that a closer look at the script would reveal that the contested wording was preceded by words which in actual fact correctly attributed the whole phrase to the Leader of the Opposition, contrary to what was claimed by the Party.

The Party pointed out that viewers do not have the facility and possibility of revisiting and analysing in depth what was actually said by the report and this meant that the viewer could comprehend that the reporter had made his a comment by the Leader of the Opposition.

Decision:

In this case and after taking note of the submissions of the parties and the relative documentation, the Authority decided that the complaint was unjustified and therefore refrained from upholding same.

O5 BROADCASTING LICENCES

5.1 Radio Broadcasting Licences

5.1.1 Community Radio Stations

The total number of long term community radios operating at the end of 2017 was 24, four less than in the previous year. A community radio requires a great deal of commitment by the organisers who often provide their services on a voluntary basis. A good number of stations are of a religious nature and a couple are run by band clubs.

Community radio licences are either issued for a three-year term or for a short period not exceeding one month. The short-term licences generally cover the period when the town or village celebrates a specific event like the feast of the parish's patron saint (usually in summer) or the time around Christmas and Easter.

The Authority insists that the schedule of community radio stations includes programmes of particular interest to listeners in their locality e.g. interviews with organisers of particular events held in the locality. The licence also stipulates that advertising is restricted to business, events and services that are carried out in the specified area.

The following table presents the various short-term community radio licences issued by the Authority during 2017, some stations being granted licences to transmit during different times of the year:

	2017																
Lic. No.	Station	Transmitting from	Duration	Valid From	Freq MHz	Jan	Feb	Mar	Apr	May	Jun	lul	Aug	Sept	Oct	Nov	Dec
722	Radju Lauretana	Għajnsielem, Gozo	16 days	1/4/17	89.3												
734	Radju Lauretana	Għajnsielem, Gozo	25 days	5/8/17	89.3												
740	Radju Lauretana	Għajnsielem, Gozo	1 month	8/12/17	89.3												
723	Radio 12th May	Zebbuġ, Malta	31 days	20/5/17	96.5												
726	Radju Leħen il-Ġużeppini	Għaxaq	1 month	4/5/17	89.1												
742	Radju Leħen il-Ġużeppini	Għaxaq	1 month	3/12/17	89.1												
727	Intl Bible Students Assoc Event	St Julians	1 day	21/5/17	108												
735	Intl Bible Students Assoc Event	St Paul's Bay	3 days	8/9/17 &	108												
			3 days	15/9/17	108												
728	Radju Margerita	Sannat, Gozo	1 month	1/7/17	96.1												
729	Radju Sant'Andrija	Luqa	24 days	10/6/17	88.4												
738	Radju Sant'Andrija	Luqa	1 month	25/11/17	88.4												
730	Leħen il-Karmelitani	Zurrieq	1 month	1/7/17	101.4												
739	Leħen il-Karmelitani	Zurrieq	1 month	1/12/17	101.4												
731	Radio Leonardo 105.2FM	Kirkop	11 days	10/8/17	105.2												
733	Radju 15 t'Awwissu	Qrendi	1 month	23/7/17	98.3												
743	Radju 15 t'Awwissu	Qrendi	25 days	9/12/17	98.3												
736	Tal-Ġilju FM	Mqabba	15/9/17	15/9/17	95.4												
737	Tal-Ġilju FM	Mqabba	25 days	1/12/17	95.4												

The following table presents the long-term licences issued by the Authority during 2017.

		Transmitting			
Lic. No.	Station	from	Duration	Valid from	Freq.
719	Radio Vilhena	Floriana	3 years	14/1/17	96.1
721	Heart FM	(Paola)	3 years	2/4/17	94.3
725	Radju Każin Banda San Filep	Zebbuġ, Malta	3 years	12/5/17	106.3

Unique, which transmitted from Zabbar on 104.1MHz, stopped transmitting in early January 2017. The station had been broadcasting for over two years.

Y4J Radio, which transmitted from Naxxar on 105.4MHz, stopped broadcasting on 30th April 2017. It operated on a licence granted to Christian Light Foundation, transmitting mostly Christian music. Christian Light Foundation had been running a community radio station for several years, since the year 2000, and had originally called its station *Christian Light Radio*.

Radju Kazin Banda San Filep, until 2016, operated from Żebbuġ, only for the *festa* period, roughly for one month annually. However, in February 2017, the band club sent an expression of interest to grow into a three-year station. Apart from music programmes, the station's proposed schedule included religious programmes, sports programmes and information from the Local Council. The licence to target the Żebbuġ community was issued on 12th May 2017 to transmit on 106.3MHz.

The licence issued to *Elite Radio*, a community radio station which operated from San Ġwann on 107.3MHz from 2016, was revoked on 28th June owing to a breach of licence conditions.

Radju Kottoner, a community radio station operating from Cospicua, stopped transmitting on 31st July after 21 years, and *Heart FM*, a community radio station which operated from Paola on 94.3MHz, stopped transmitting on 2nd August 2017.

This list specifies the location (in alphabetical order) and frequency of these radios on the FM dial:

In Malta			In Gozo		
BKR Radio 94.5FM	94.5	Birkirkara	Radio Sacro Cuor	105.2	Fontana, Gozo
Radju Vilhena	96.1	Floriana	Radju Viżitazzjoni	92.4	Għarb, Gozo
Radio Galaxy	105	Hamrun	Radju Sokkors	95.1	Kerċem, Gozo
Trinitarji FM	89.3	Marsa	Radju Luminaria	106.9	Nadur, Gozo
Bastjaniżi FM	95	Qormi	Leħen il-Qala	106.3	Qala, Gozo
Leħen il-Belt Ġorġjana	105.6	Qormi	Radju Katidral	90.9	Victoria, Gozo
Radio Messiah 97.8FM	97.8	Qormi	Leħen il-Belt Victoria	104	Victoria, Gozo
Mics FM	93.3	Rabat, Malta	Radju Bambina	98.3	Xagħra, Gozo
Deejays Radio	95.6	San Ġwann	Radju Prekursur	99.3	Xewkija, Gozo
Radju Xeb-er-ras	90.8	Valletta			
Radio City	107.6	Valletta			
La Salle Radio	99.4	Vittoriosa			
Radju Hompesch	90	Żabbar			
Radju Każin Banda San Filep	106.3	Żebbuġ, Malta			
Radju Santa Katarina	90.6	Żurrieq			

5.1.2 Drive-In Cinema Events

In January, the Authority approved the use of a radio frequency by the Ministry for Gozo for a Valentine Day drive-in cinema event that took place on the evening of 11th February in the *Leli Farrugia Football Ground of Victoria*, Gozo. The movie night was called 'Back in Time with Love'.

In October, the Authority similarly approved use of a radio frequency for a one-night drive-in cinema event organised by KSU, University of Malta, in one of the University car parks.

5.1.3 Nationwide Analogue Radio (FM)

The licences of three nationwide stations on the FM dial expired and, following a formal application, were renewed for a six-year period during the year in review. These stations were *Radju Marija*, *One Radio* and *Campus FM*. The number of nationwide stations on the FM dial remained thirteen.

5.1.4 Digital Radio

Although the medium is gaining in popularity, only four digital radio stations were operating at the end of 2017. Digital radio is relatively new on the Maltese islands. It delivers a superior transmission to the FM product and is the future of radio.

A new four-year licence was issued to Digi B Network Ltd to operate the digital radio station Radio Christian Music which, as the name implies, is predominantly dedicated to Christian content. It serves to attract a particular niche audience to the digital platform.

In May, D.A.V. Ltd informed the Authority that Switch Radio, which had been operating since November 2016, had stopped transmitting on DAB.

5.2 Television Stations

5.2.1 Migration of GIO frequency by PBS

In 2012, the European Commission requested that part of the frequency utilised for television broadcasting is allocated to the use of mobile telephony services. This resulted in the need to transfer transmission of television stations on this frequency to an alternative. On 25th January 2017, carriage of the GIO stations by PBS migrated from Channel 66 to Channel 43. The GIO stations are *TVM*, *TVM 2*, *ONE*, *NET TV*, *Smash TV*, *Xejk*, *F Living* and *Parliament TV*. A notice to viewers was therefore carried by all these stations to announce this so that television sets receiving free-to-air stations could be set accordingly. Subscribers to the services of Melita plc. and Go plc. were not affected.

5.2.2 GIO Licences and Multiplex

As the agreement of the Multiplex licence issued to PBS Ltd for carriage of General Interest Objective stations was extended to end June 2017, the General Interest Objective licences were, in January, also extended to end June 2017. In August, the Broadcasting Authority requested GIO stations to re-apply for a 5-year content licence to be issued from 1st November 2017, extending the licence to 31st October until the application was processed. In October, in view of technological developments for better quality in broadcasting being studied, the Authority further extended the licences to 31st January 2018.

5.2.3 Commercial Television Licences

In December 2017, a commercial television broadcasting licence was issued to *Owners Best Network* for a 2-year period. The station has been operating since December 2013 and is devoted exclusively to teleshopping of immovable property and related thematic programmes. It is carried solely on the Melita cable digital service.

5.2.4 Satellite Television Licences

On 26th April 2017 Bonum Television Ltd. informed the Authority that the station *Twoj* stopped broadcasting on 1st January 2017. *Twoj* was an entertainment channel transmitting programmes from Eastern Europe and Russia. Two stations operated by Thema Television Malta Ltd, *Silverbird* and *Metro TV*, stopped broadcasting on 30th June 2017 although their licence was due to expire a year later. Two other stations operated by Thema Television Malta Ltd, *Silverbird* on 6th August – these were *kykNET* and *kykNET Musiek*.

Television Production Network Malta Ltd. had *TV Persia*'s licence revoked on 6th July because of a breach of licence conditions.

By the end of the year, the total number of satellite television licences transmitting under Maltese broadcasting legislation was nine.

INTERNATIONAL WOMEN'S DAY CONFERENCE

March 2017





06 INTERNATIONAL RELATIONS

6.1 Mediterranean Network of Regulatory Authorities

In November, the Broadcasting Authority took part in the 19th Plenary Assembly at Marseilles. This year's general theme was "regulation to foster social cohesion within the digital environment". In order to discuss the theme, the Presidency adopted a four-pronged approach, focusing on the adaptation of audiovisual regulation, security and the media, media literacy and the protection of minors, and diversity in the media.

At the end of the meeting, on the initiative of the French presidency, the MNRA unanimously adopted the Marseilles declaration "For an overhaul of the audiovisual regulation in the digital environment". With this declaration, member authorities committed themselves to work for an audiovisual regulatory framework which adapts to the digital age and its democratic requirements, with due consideration for social cohesion.

As per the MNRA statute, at the end of this two-day conference, the members elected a new Vice Chair (CAC, Spain) for the 20th Plenary Assembly.



6.2 European Union

In terms of EU-Malta relations, 2017 was a landmark year for Malta since during the first half of 2017, Malta held the Presidency of the European Council. This was even more so in the area of broadcasting since during the Maltese Presidency, the Broadcasting Authority had a pivotal role in the revision of the Audiovisual Media Service Directive. Since the Audiovisual Media Services Directive is the main legislative tool which regulates media services across all the 28 member states, it was of vital importance that as an honest and neutral broker, Malta would ensure a fair balance between member states, stake holders and consumers. During the Maltese Presidency, the Audiovisual Working Party, chaired by the Authority's Chief Executive, Dr Joanna Spiteri, managed to achieve a general approach

on the text of the directive, thus setting the basis for further negotiations as part of the co-legislative procedure. Despite limitations pertaining to resources and size, the Broadcasting Authority managed to consider and take note of all stakeholders and delegations interested in the revision of this directive and together with the Permanent Representation in Brussels, as a team, provided the necessary support to all those involved in the process.

6.3 Media Literacy Expert Group Meeting 2017

On the 14th of November 2017 the Media Literacy Expert Group, under the Directorate General for Communication Networks, Content and Technology held its annual one-day symposium in Brussels. The Broadcasting Authority was represented by George Dorian Sultana, a Programme Monitor, and by Dr. Joanna Spiteri, Chief Executive. Moderated by Paolo Cesarini, the Head of Unit 14 of Media Convergence and the Social Media within the European Commission's Directorate, the seminar was divided in two basic sessions.

In attendance were representatives from the 28 member states; representatives from Unesco and the Council of Europe; representatives of media organisations and from civil society networks.

The morning session comprised presentations and updates on Media Literacy by European Commission officials and others, with the main focus being the European Parliament Pilot Project 2016 call for proposals, with the name 'Media Literacy for All'. Bronagh Walton from the European Commission gave an account of how the €250,000 allocated for proposal of projects submitted during 2017, were to be spent as well as about the following year's budget. Then, Joanna Krawczyk of the Evens Foundation presented her proposal entitled 'Mind over Media in EU (MOMEU) – Analysing Contemporary Propaganda', which proposal qualified for this fund. During her presentation she explained the importance of having a critical mind for decoding propaganda, while at the same time showing how the MOMEU 2018 was designed as a propaganda awareness raising tool. Shortly after her presentation, the representative in attendance from Latvia raised an interesting point – 'what will the consequences of a critical thinking society be?'

Angela Rees, on behalf of Pontydysgu, gave an account of another project titled *Media in Action*, which project has also been selected for 2017 funding. As the previous project Media in Action had to be launched in November 2017 and the expected results include the Media in Action Hub, a one-stop shop with access to:

- an online course for educators in Media Literacy and Storytelling;
- teaching and learning materials;
- a repository of lesson plans and resources;
- an online community;
- a showcase of stories from end users.

Bronagh Walton from the European Commission gave an update on *Media Literacy for All 2017* call, where basically she reiterated that this year's budget would be double that of 2016. Adam Watson Brown gave an update on the current Commission studies and gave some feedback from the *Media Meets Literacy Conference* which was held earlier this year in Sarajevo. He said that the conference focused on how Media Literacy can contribute to the development of social media.

Leo Pekkala from the National Audiovisual Institute of Finland kicked off the second session after the first break. From here onwards the subject shifted from 'propaganda' to 'fake news'. Mr. Pekkala gave a detailed account of the several Media Literacy initiatives launched throughout the years in Finland financed by the local government, specifically on a comprehensive study named, 'Fake News or Productive Participation? Time to Act for Adult Media Literacy'. Mr. Pekkala gave an example of an educational tool – Populism Bingo - and argued about the need for multiliteracy, for further studies, and for further funding regarding Media Literacy.

Nicola Frank from the EBU gave the second presentation and described several relevant large-scale projects currently being led by EBU members, like the Fake News App developed by ZDF and the BBC's 'Return to School Road Show' that brings journalists back to schools to discuss reality checking of news with pupils. She also gave

an account about several outcomes from a study with the name, 'The Information Disorder and the Role of Media Literacy', one of them being how virality is more important than journalistic quality; she highlighted its important implications in democracy. The study concluded that when it comes to fake news, people should at least be able to check the source and when in doubt ask an expert.

Frank's presentation generated a reaction from the French representative, who criticised the study for taking a linear approach.

Regarding the inquiry raised by Mr. Pekkala (Finland representative) who asked about current funding schemes, during a discussion amongst the audience, one of the panelists Anni Hellman, who at the moment was chairing the panel asked one of the present participants to speak of Erasmus+ funding schemes. This resulted in an impromptu and concise presentation by this participant, during which the audience learned that there are several funding schemes which amount to millions of euro and which await proposals related to this field. In fact, funding under Erasmus+ can also be of interest, particularly given the fact that media literacy is now specifically mentioned as a key area of activity under several Erasmus+ actions.

The afternoon session opened with an impeccable presentation by Ian Vollbracht from Joint Research Centre. His intervention was meant to give information about what studies related to Media Literacy should aim for. He started his presentation with the following comment, '*Fake news continues to work even after it has been shown that it is fake*'. Vollbracht distinguished between emotional vs rational and conscious vs unconscious, accentuating the importance of knowing and targeting the unconscious and that most of the time people use what are called heuristics. In a nutshell, his presentation focused on how to know one's audience, on psycho targeting, and the resultant future of democracy.

The last panel consisted of 4 people:

- Ania Helseth (Facebook)
- Catherine Williams (Google)
- Joanna Krawczyk (Evans Foundation)
- Nicola Frank (EBU).

With regards to fake news, both Ania Helseth and Catherine Williams from the very beginning agreed that they have serious doubts as to whether their respective technological companies (Facebook and Google respectively) would ever be able to filter fake news. This apart from the fact that they don't think their companies should decide what is fake or not. '*Contrary to racial hatred, fake news at the moment is not illegal*', contended Helseth. However, as far as Facebook is concerned, '*they are already employing third parties to check any reported fake news*', continued Helseth. However, according to her, the situation is more blurry when it comes to false news. '*I would be cautious to use existing models and try to apply it/them for internet. The Media industry where Facebook operates is very different.* Some of the principles that apply to broadcasters would not be used in the media ecosystem. We comply with existing regulations so there are some regulations which exist. To say hat facebook and internet are unregulated is not true', said Helseth.

On the other hand, Catherine Williams on behalf of Google said, '*Fake news is something which means differently to different people. There is a difference between poor quality reporting and fake news*'. Google cannot be the arbiter of truth but it can maximise the results for users. She also mentioned two initiatives which can help counteract this phenomenon:

- Young people (16 21 years) are helped to look at news differently.
- A programme for children between 9 and 11 years which can be offered to schools.

Then she made a reference to 5 tips (Google.com/safetycentre) which should be taught to a child to be, according to them, 'internet awesome', i.e.:

1. Be smart with whom you share information with. Private information should remain private, do not fall for fake.

- 2. Teach them about phishing.
- 3. Be alert online.
- 4. Be cool and kind. It is cool to be kind online but speak up if somebody is being bullied.
- 5. Be brave online, so if you are in doubt, talk it out.

'Google's mission is to make the world's information accessible and useful for everyone', said the speaker.

Williams continued by emphasising that young people should be able to differentiate fact from opinion. These are critical skills and are imperative for a job market, according to her.

With regard to Facebook's and Google's lack of ability to detect and act proactively against fake news, Ian Vollbracht was in dissent, claiming that algorithms managed by these multinationals are already filtering information, thus exercising subtle control on what is eventually consumed. He quoted the algorithm named Zeyneptufkci and implied that news is being filtered because of algorithms and this type of control can also be used on fake news.

During her second intervention, Joanna Krawczyk, asserted that if it is news then it cannot be fake, so the two words should not go together, she insisted. She remarked that fake news nowadays is being used by politicians whenever they do not agree with particular news. According to her, false information has always existed, but now it has a new dimension. There is a need for more transparency, through, for instance, technological journalists who need to be more investigative and critical on technology.

During the last part of the session, all the participants were given the opportunity to make further remarks and questions about today's meeting. The following are the salient interventions made:

Belgium – The representative insisted that such meetings should increase in frequency and not only be held once a year.

Norway – This country made a study which is to be published next week after which material on fake news would be launched. They asked questions like:

- Where do young people read more fake news?
- Did youths share a fake story which they suspect to be false?
- If yes, why did they share such information?
- What do you do when you find a case which you think is false?

Results have shown that 18- year-olds are more likely to share the news.

Netherlands – Representative asked whether this group is willing to act proactively instead of retrospectively. He asked whether the group intends to get ready for the next challenges.

Paolo Cesarini – Platforms do not have editorial responsibility unlike media providers which have editorial responsibility.

6.4 European Platform of Regulatory Authorities (EPRA)

The Broadcasting Authority attended the October EPRA meeting held in Vienna between 11-13th October 2017 hosted by KommAustria/RtR. This EPRA meeting was attended by the Chairman, Mr Martin Micallef, and the Chief Executive, Dr Joanna Spiteri. The Spring EPRA meeting held in Edinburgh between the 17th and 19th May was not attended since it fell in the middle of an election campaign and the Authority had to use its full resources on supervising the broadcasting content in order to see that it adheres to the Directive.

The focus of the plenary themes during the EPRA meeting was News in the Digital Age - Focus on the role of regulators in implementing impartiality, accuracy and fairness in practice. This was designed to address current

regulatory challenges in anticipation of changes in the evolving regulatory and policy sphere. The session also touched on aspects of plurality and access to quality content in a multi platform environment. Presentations and contributions during this meeting brought about diversity of perspective available to support discussion and debate amongst those present.

Throughout 2017, the working groups allowed for practical and focused exchanges and interactions between our members. In the second bi-annual working group a comparative background paper assessing the role that regulatory bodies play in the field of media literacy was presented and discussed. Another working group during the same October meeting confirmed the great diversity of the licensing and authorization procedures currently existing in Europe as well as a lack of awareness of the systems that are in place in other jurisdictions. Through the discussion of key trends and emerging challenges, the group emphasized the importance of reinforced cooperation between regulatory authorities to achieve increased transparency of the audiovisual media service providers operating in Europe - and thus paved the way for further exchanges on processes and best practices to reach this objective. The ad hoc groups also provided an opportunity for regulators to assess their own policy approaches and activities against those of other regulatory bodies on the changing relationship between citizens and regulators.

During the second day of the meeting, the discussion dealt on the Promises and Challenges of digital disruption focusing on minors' advertising literacy in the digital age. The keynote speaker was Prof Dr Eva Lievens from Ghent University who investigated the minors' persuasion knowledge in relation to new advertising formats. This discussion focused on critical skills for children and the importance of applying media literacy skills in order for children to understand the manipulative effect of advertising.

6.5 European Regulators Group for Audiovisual Media Services (ERGA)

The Broadcasting Authority regularly attends ERGA meetings and participates in a number of sub groups. The European Regulators Group for Audiovisual Media Services consists of national regulatory authorities in the field of audiovisual media services. ERGA advises the European Commission and facilitates cooperation between the regulatory bodies in the EU. During ERGA meetings, development and progress on the review of the AVMSD are put forward and also discussion on the implementation issues that are likely to arise from a regulatory perspective.

On 9th March 2017 the 7th ERGA Plenary meeting was held and during this meeting ERGA adopted its Report on the Protection of Minors and approved the terms of reference of four ERGA subgroups. The report on the Protection of Minors provides an overview of protection measures currently used by a wide range of players in the 'converged audiovisual media landscape'. Linked to the topic of protection of minors, ERGA also focused on self and co-regulation during 2017. Such a topic was to be addressed in the AVMSD which was being revised. During this meeting, it was agreed that an ERGA Academia is launched for internships and working visits.

The 8th plenary meeting of ERGA was held on 9th November 2017. During this meeting in Brussels, ERGA adopted the Work Programme for 2018 which envisaged the setting up of four ERGA subgroups. Their work was planned to focus on the internal and external plurality, the exchange of experiences and best practices and the extension of the material scope of the AVMSD. ERGA also started to explore the topic of plurality and foster co-operation amongst national regulatory authorities when it comes to the enforcement of the Directive regarding audio-visual media services in an online environment. ERGA also prepared to explore potential new tasks, once the revised directive for audio visual media services is adopted, for example regarding territorial jurisdiction or the promotion of European works.

07 RADIO AND TELEVISION AUDIENCE ASSESSMENT

IN ACCORDANCE WITH ARTICLE 30(2) OF THE BROADCASTING ACT, CAP. 350 OF THE LAWS OF MALTA, THE BROADCASTING AUTHORITY COMMISSIONED THE NATIONAL STATISTICS OFFICE (N.S.O.) TO COMPILE THE RELEVANT DATA ON AUDIENCES.

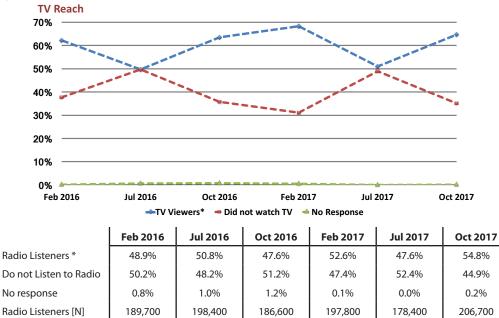
For this year data was collected daily (40 interviewees) for one month during February, July, and October. The stratified sample based on national demographics was weighted to represent all those living in households aged 12 years and over. The following is the estimated population living in households, the same taken, the response rates, and the margin of error for each assessment: **Population, Sample, Response Rate, and Margin of Error**

			Feb 2017	Jul 2017	Oct 2017
	Population (12 years plus)	[N]	376,208	374,782	376,972
7.1 Radio	Sample	[n]	1,240	1,240	1,240
Respondents were given the possibility of	Response Rate	[%]	34.81%	37.23%	35.64%
identifying three radio stations they had	Margin of error (95% confidence)	[±]	2.78%	2.69%	2.66%

followed the previous day and three different time periods for each station named. They were also asked whether they had a DAB+ radio-set to follow programmes and if so, whether they follow local and/or foreign programmes on these sets.

How many people listened to Radio?

Although about half of the population regularly listens to radio, the number of radio listeners was highest during October 2017 while the lowest was during the summer months. Radio listening during the summer months (July 2017: 47.6%) was 3.2% lower than that of the same period the previous year (July 2016: 50.8%) while following radio programmes during February and October was higher than that of the previous year (Feb 2017 by 3.7%; October 2017 by 7.2%).



* Includes those who "did not remember which station was followed" and those who "Followed No Particular Radio Station"

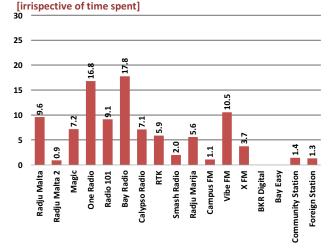
Which Radio Station had the highest number of listeners?

Bay Radio has constantly attracted the highest audiences reaching up to a quarter of all radio listeners in October 2017. This station was regularly followed by ONE Radio and Vibe FM. Bay Radio was the most followed station by all those under fifty while ONE Radio was the most followed station by all those over fifty years old.

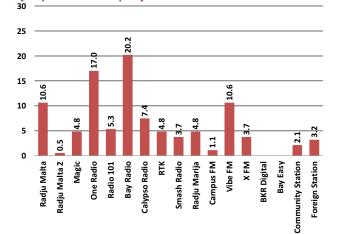
Radio Reach by Station

	Feb	2017	Jul	2017	Oct 2017		
		%		%		%	
Radju Malta	[4]	9.6	[4]	10.6	[4]	10.8	
Radju Malta 2	[15]	0.9	[15]	0.5	[15]	0.5	
Magic	[6]	7.2	[7]	4.8	[8]	4.8	
One Radio	[2]	16.8	[2]	17.0	[2]	14.8	
Radio 101	[5]	9.1	[6]	5.3	[5]	7.2	
Bay Radio	[1]	17.8	[1]	20.2	[1]	25.1	
Calypso Radio	[7]	7.1	[5]	7.4	[6]	6.2	
RTK	[8]	5.9	[9]	4.8	[7]	6.1	
Smash Radio	[11]	2.0	[11]	3.7	[10]	2.8	
Radju Marija	[9]	5.6	[8]	4.8	[9]	3.9	
Campus FM	[14]	1.1	[14]	1.1	[12]	2.0	
Vibe FM	[3]	10.5	[3]	10.6	[3]	11.2	
X FM	[10]	3.7	[10]	3.7	[11]	2.3	
BKR Digital					[16]	0.2	
Bay Easy					[17]	0.1	
Community Station	12	1.4	13	2.1	[14]	0.5	
Foreign Station	13	1.3	12	3.2	[13]	1.2	
		100%		100%		100%	

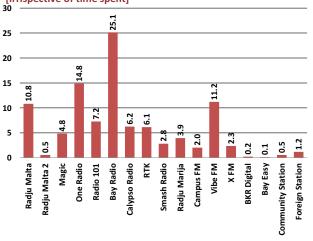
Radio Reach by station - February 2016



Radio Reach by station - July 2016 [irrispective of time spent]



Radio Reach by station - October 2016 [irrispective of time spent]



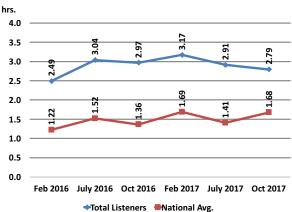
How long did listeners tune in?

Not all listeners spend the same amount of time listening to their radio-sets. Taking the total amount of time that

radio was listened to divided by the number of radio listeners gives the average amount of time spent. And taking the data of each station this average is susceptible to outliers especially where stations have registered a small number of listeners who logged on to that particular stations for long time spans.

During this year the average number of hours spent by radio listeners [2.96hrs] was slightly higher than that registered for the previous year [2.83 hrs] by 7.8 minutes. On a national average radio listening has also increased by 13.2min from a national average of 1.37hrs in 2016 to 1.59hrs in 2017.

Daily Average Hours of Radio Listening



	Feb	Jul	Oct	Avg.	Daily Average Hours of Radio Listening by Station					
	(Hrs.)	(Hrs.)	(Hrs.)	(Hrs.)	0	2	4	6	8	10
Radju Malta	3.69	2.86	2.73	3.09	Radju Malta	-				
Radju Malta 2	2.64	4.89	1.08	2.87	Radju Malta 2					
Magic	2.78	2.81	1.50	2.36	Magic					
One Radio	4.25	4.16	3.51	3.97	One Radio					
Radio 101	3.45	3.23	3.10	3.26	Radio 101					
Bay Radio	2.05	1.62	2.24	1.97	Bay Radio					
Calypso Radio	4.61	3.91	5.39	4.64	Calypso Radio	_		- -		
RTK	2.27	3.09	2.28	2.55	RTK					
Smash Radio	4.04	2.70	2.81	3.18	Smash Radio Radju Marija					
Radju Marija	3.18	4.80	2.36	3.45	Campus FM					
Campus FM	4.58	2.59	2.99	3.39	Vibe FM					
Vibe FM	2.68	2.22	2.76	2.55	X FM					
X FM	1.22	1.74	1.26	1.41	BKR Digital					
BKR Digital			3.25	1.08	Bay Easy					
Bay Easy			8.00	2.67	Community	_				
Community	4.67	2.39	1.92	2.99	Foreign					
Foreign	2.85	2.95	3.41	3.07						
					Total		•			
Total	3.17	2.91	2.79	2.96	Nat.Avg.					
Nat.Avg.	1.69	1.41	1.68	1.59		■ Fe	o∎lul∎O	t		

Analysed by broadcasting station, although Bay Radio attracted the highest number of radio listeners, the station which has retained its listeners most was Calypso Radio with an average of 4.64hrs [Feb:4.61hrs; Jul:3.91hrs; Oct:5.39hrs]. This station was followed by ONE Radio with an average of 3.97hrs [Feb:4.25hrs; Jul:4.16hrs; Oct:3.51hrs].

 Highest Peaks of Radio Listeners by Station

 0
 1
 2
 3
 4
 5

67

8

What were the largest number of listeners at any one time?

Another indication of a radio station's popularity with its audiences is its highest number of listeners obtained at any particular half-hour slot of each weekday.

particular half-hour slot of eac	h weekd	ay.	Radju Malta		
	Feb	Jul	Oct	Radju Malta 2	
	%	%	%	Magic	
Radju Malta	5.283	4.760	4.284	One Radio	
Radju Malta 2	0.717	1.266	0.928	Radio 101	
Magic	3.857	2.976	1.670	Bay Radio	
One Radio	6.434	5.578	6.032	Calypso Radio	
Radio 101	3.225	2.328	3.945	RTK	
Bay Radio	5.238	5.633	7.653	Smash Radio	
Calypso Radio	4.162	3.482	3.373		
RTK	2.346	1.362	1.660	Radju Marija	
Smash Radio	1.336	3.148	2.141	Campus FM	
Radju Marija	2.284	2.041	1.631	Vibe FM	
Campus FM	0.977	0.792	2.024	X FM	
Vibe FM	4.410	3.990	6.305	BKR Digital	
X FM	2.172	1.599	1.546	Bay Easy	
BKR Digital			0.285		
Bay Easy			0.422	Community	
Community	1.067	1.349	0.446	Foreign	
Foreign	0.808	1.920	0.803		Feb Jul Oct

In February, amongst all stations ONE Radio had its highest peak on Thursdays with 6.434%, Mondays (5.649%), Tuesdays (5.296%), Sundays (5.059%), Wednesdays (4.193%), and Fridays (4.101%). Bay Radio had the highest peak amongst all stations on Saturdays (2.898%) and had the third highest peak amongst all stations on Thursdays (5.238%). Radju Malta had the second highest peak amongst all stations (5.283%) on Thursdays.

In July Bay Radio had the highest peak amongst all stations on Mondays with 5.633%; on Wednesdays with 3.559%; and on Thursdays with 4.904%. ONE Radio had the highest peak amongst all stations on Saturdays with 5.578%; on Tuesdays with 4.005% and on Sundays with 4.037%. Radju Malta had the highest peak amongst all stations on Fridays with 4.760%.

In October Bay Radio had the highest peak amongst all stations on Thursdays with 7.653%; on Tuesdays [7.040%]; on Wednesdays [6.513%]; and on Mondays with 4.363%. ONE Radio had the highest peak amongst all stations on Sundays with 6.032% and on Saturdays with 5.000%. Vibe FM had the highest peak amongst all stations on Fridays with 6.305%.

Which Radio Station had the largest percent of audiences?

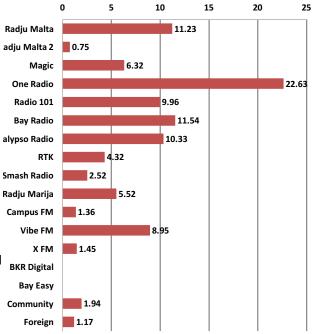
This percentage computes the number of listeners multiplied by the amount of time spent and compares each station to all available broadcasting time. Or simply, what piece of the broadcasting pie did each station manage to attain.

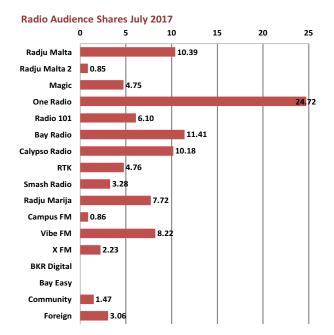
Audiences were not registered for all the half-hour slots and before 6:00am audiences were minimal throughout with less than 2.0% of the population. They sharply increased between 6:00am and 7:00am - 5.1% to 14.3% in February; 3.7% to 12.1% in July; and 4.2% to 15.4% in October. The highest audiences peaked at 8:00am in February with 16.9%; (13.8% in July and 17.0% in October) and at 9:00am in July (16.6%) and October (16.8%). This level of radio listening was maintained till 11:30am with 15.4% in February and 15.1% in July and 16.3% in October. Audiences generally rapidly decreased in the afternoon to 8.1% at 5:30pm in February; to 6.7% at 5:00pm in July; and to 8.7% at 5:00pm in October. At 8:30pm only 2.1% of the population were following radio in February; 2.4% at 8:00pm in July; and 1.3% at 8:00pm in October. Nighttime audiences after 10:00pm were about 1.5% of the total population in February and July and less than 1.0% in October.

In February ONE Radio ranked first with 22.63% of all audiences, followed by Bay Radio [11.54%]; Radju Malta [11.23%]; Calypso Radio [10.33%]; Radio 101 [9.96%]; Vibe FM [8.95%]; and Magic [6.32%]. In July ONE Radio ranked first with 24.72% of all audiences, followed by Bay Radio [11.41%]; Radju Malta [10.39%]; Calypso Radio [10.18%]; Vibe FM [8.22%];Radju Marija [7.72%]; and Radio 101 [6.10%]. In October Bay Radio ranked first with 20.11% of all audiences, followed by ONE Radio [18.87%]; Calypso Radio [12.05%]; Radju Malta [10.59%]; Vibe FM [10.88%]; Radio 101 [8.05%]; and RTK [5.01%].

		Feb	Jul	Oct
1		%	%	%
Radju Malta	-	11.23	10.39	10.59
Radju Malta 2		0.75	0.85	0.21
Magic		6.32	4.75	2.59
One Radio		22.63	24.72	18.87
Radio 101		9.96	6.10	8.05
Bay Radio		11.54	11.41	20.11
Calypso Radio		10.33	10.18	12.05
RTK		4.32	4.76	5.01
Smash Radio		2.52	3.28	2.84
Radju Marija		5.52	7.72	3.32
Campus FM		1.36	0.86	2.30
Vibe FM		8.95	8.22	10.88
X FM		1.45	2.23	1.05
BKR Digital				0.20
Bay Easy				0.28
Community		1.94	1.47	0.38
Foreign		1.17	3.06	1.27
	Total	100%	100%	100%

Radio Audience Shares - February 2017





What type of Radio-set do people use?

Radio listeners were asked whether they have a DAB+ radio-set to listen to radio and, if so, what kind of stations they tune in to: local stations only; foreign only; and both local and foreign stations.

Overall, 2.26% of the population do not have a radio-set while another 3.31% do not know what kind of radio-set they have. While 12.2% of the population do have a DAB+ radio-set, as much as 81.65% replied that they do not have one.

They do not have one. Of those who stated that they do have a DAB+ radio-set, the majority [65.67% stated that they only listen to local stations; another 5.75% stated that they use their DAB+ radio-set to listen to only foreign stations; while another 23.48% stated that they listen to both local and foreign radio broadcasts. Another 4.96% stated that although they do have a DAB+ radio-set to listen to radio programmes while another 0.14% did not reply.

7.2 Television

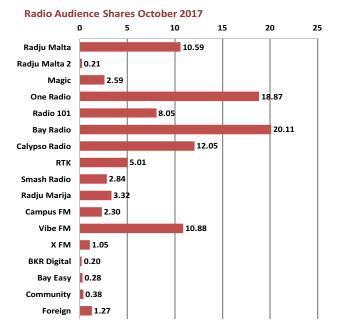
assessment periods when compared

Similar to radio, interviewees were given the possibility of identifying three television stations that they had followed the previous day and could identify three different time periods for each station named. Respondents were also asked what type of TV-service they use to watch television and what types of programmes they like to watch on local television stations.

How many people watch TV?										
		Feb 2016	Jul 2016	Oct 2016	Feb 2017	Jul 2017	Oct 2017			
About two-thirds of the population	TV Viewers	62.2%	49.7%	63.6%	68.3%	51.0%	64.7%			
regularly watch TV; however the		02.270	42.770	05.070	00.570	51.070	04.770			
5 7	Did not watch TV	37.7%	49.7%	35.7%	31.2%	49.0%	35.2%			
number drops to about half the	N	0.10/	0 70/	0.70/	0.50/	0.00/	0.10/			
, non-ulation duning the current of months.	No response	0.1%	0.7%	0.7%	0.5%	0.0%	0.1%			
population during the summer months.	TV Viewers [N]	241,300	194,000	249,000	257,000	191,200	243,900			
There was a slight increase in the										

* Includes those who "did not remember which station was followed" and those who "Folpercentage of TV viewers in all the three lowed No Particular TV Station"

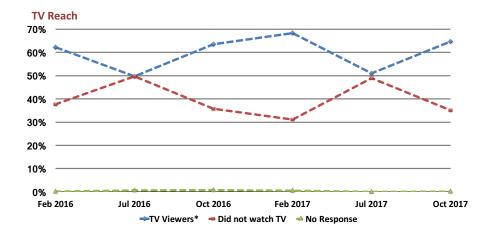
to those of the previous year – an increase of 6.1% from February 2016 (62.2%) to that of February 2017 (68.3%); an increase of 1.3% from July 2016 (49.7%) to July 2017 (51%); and similarly a 1.1% increase for that of October from 63.6% in 2016 to 64.7% in October 2017.



AB+ radi	o-set?	TES TOP:	
	12.20	Local only	65.67
		Foreign only	5.75
		Both Local & Foreign	23.48
		Does not use	4.96
		No Reply	0.14
	81.65	Total	100%
	3.31		
	0.59		
	2.26		
Total	100%		
		81.65 3.31 0.59 2.26	12.20 Local only Foreign only Both Local & Foreign Does not use No Reply 81.65 Total 3.31 0.59 2.26

"VES" for

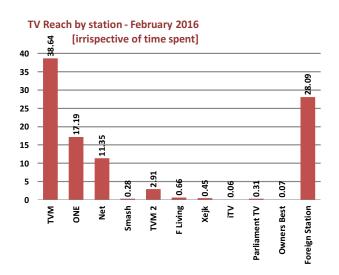
Do you have a DAR+ radio-cet?

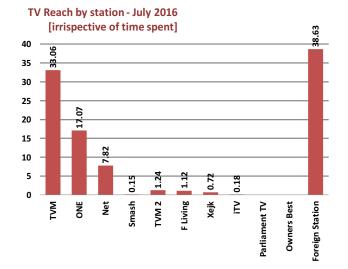


Which TV Station had the highest number of viewers?

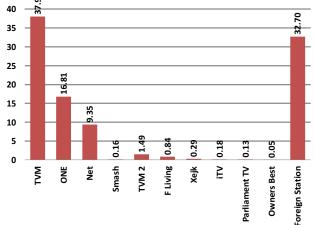
TVM has constantly attracted more than a third of all television viewers followed by ONE and Net. All the three stations have constantly attracted audiences from all the demographical groups by gender, age, and district. The viewing of foreign stations is also high and ranges to just more than a quarter in February [28.09%] to more than a third of the population [38.63%] during the summer months. The viewing of foreign stations is higher with those under the age of 50 while the viewing of local TV stations is higher with those over this age benchmark.

TV Reach by Station												
	Feb	2017	Jul	2017	Oct	2017						
		%		%		%						
TVM	[1]	38.64	[1]	33.06	[1]	37.99						
ONE	[2]	17.19	[2]	17.07	[2]	16.81						
Net	[3]	11.35	[3]	7.82	[3]	9.35						
Smash	[8]	0.28	[8]	0.15	[8]	0.16						
TVM 2	[4]	2.91	[4]	1.24	[4]	1.49						
F Living	[5]	0.66	[5]	1.12	[5]	0.84						
Xejk	[6]	0.45	[6]	0.72	[6]	0.29						
iTV	[10]	0.06	[7]	0.18	[7]	0.18						
Parliament TV	[7]	0.31			[9]	0.13						
Owners Best	[9]	0.07			[10]	0.05						
Foreign Station		28.09		38.63		32.70						
		100%		100%		100%						





TV Reach by station - October 2016 g [irrispective of time spent]



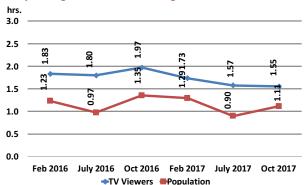
How much time did TV viewers spend watching television?

This average gives the amount of time that each viewer has spent following each TV station. This is derived from the total number of hours that consumers watched television divided by the total number of viewers of each broadcasting station. This average is susceptible to outliers especially where broadcasting stations have registered a small number of viewers who logged on to that particular station for a long time.

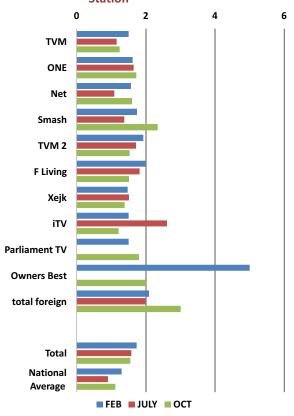
While TVM attracted the highest percentage of viewers the time spent on average by ONE viewers [1.66hrs] is 27.7% higher than those of TVM [1.30hrs]. The average amount of hours over all TV viewers amounts to 1.62hrs per viewer and over the whole of the population this amounts to 1.10hrs.

	Feb	Jul	Oct	Avg.
	(Hrs.)	(Hrs.)	(Hrs.)	(Hrs.)
TVM	1.50	1.15	1.24	1.30
ONE	1.62	1.65	1.72	1.66
Net	1.57	1.08	1.60	1.42
Smash	1.74	1.38	2.34	1.82
TVM 2	1.93	1.71	1.52	1.72
F Living	1.99	1.82	1.51	1.77
Xejk	1.47	1.50	1.38	1.45
iTV	1.50	2.61	1.21	1.77
Parliament TV	1.50		1.80	1.10
Owners Best	5.00		2.00	2.33
total foreign	2.09	1.99	3.00	2.36
Total	1.73	1.57	1.55	1.62
National Average	1.29	0.90	1.11	1.10

Daily Average Hours of TV Viewing



Daily Average Hours of TV Viewing by Station



What was the largest number of TV viewers at any one time?

Another indication of a station's popularity with its audiences is its highest number of viewers obtained at any particular half-hour slot of each weekday.

In February, TVM had the highest peak amongst all stations for all the weekdays from Monday to Sunday. The highest peak attained by TVM was on Wednesdays [23.596%]. The highest peak attained by ONE was on Mondays [11.854%], while that of Net TV was on Fridays [6.807%].

In July, TVM had the highest peak amongst all stations for all the weekdays from Monday to Sunday. The highest peak attained by TVM again was on Wednesdays [16.993%]. Of the local stations the next highest peak attained was that by ONE on Mondays with 10.054%, while that of Net TV was on Fridays [4.597%].

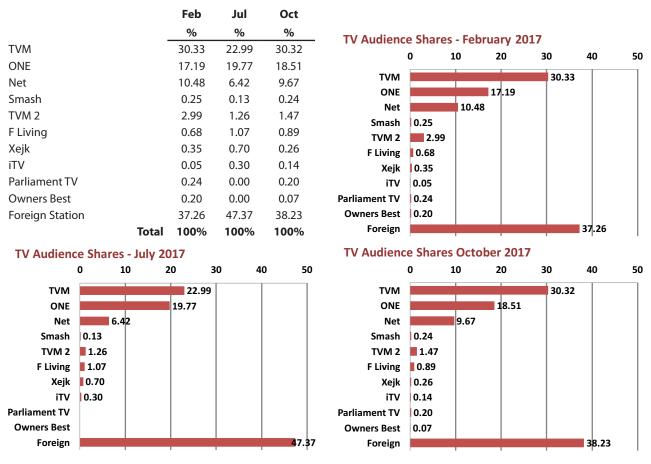
In October, TVM had the highest peaks amongst all stations for all the weekdays from Monday to Sunday. The highest peak attained by TVM was on Mondays [24.051%]. The next highest peak attained by local stations was that by ONE on Tuesdays [10.823%]; followed with that of Net TV again on Tuesdays [5.254%].

	Feb	Jul	Oct	Highest Peaks of TV viewers by Station	
	%	%	%	0 5 10 15 20 2	5 30
TVM	23.60	16.99	24.05		
ONE	11.85	10.05	10.82	ONE	
Net	6.81	4.60	5.25	Net	
Smash	0.34	0.34	0.32	Smash	
TVM 2	2.15	1.68	1.49	TVM 2 FLiving	
F Living	0.79	0.67	0.88	Xejk	
Xejk	0.78	0.66	0.39	iTV	
iTV	0.35	0.39	0.47	Parliament TV	
Parliament TV	0.68		0.39	Owners Best	
Owners Best	0.41		0.30	Foreign Station	—
Foreign Station	13.27	26.71	12.25	Feb Jul Oct	

Which TV Station had the largest percentage of audiences?

This percentage computes the number of listeners multiplied by the amount of time spent and compares each station to all available broadcasting time.

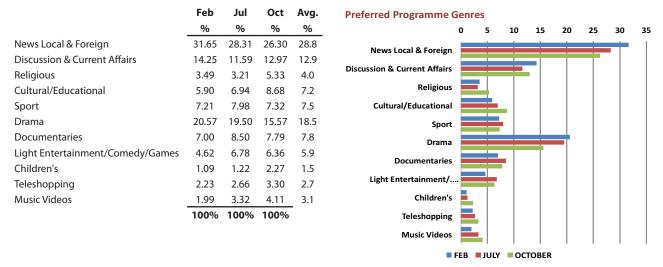
Only in July audiences were registered for all the half-hour spots including those for after midnight and early morning. However, audiences throughout the day started picking up slowly by 8:00/8:30am (February: 1.027% at 8:00am; July: 0.67% at 8:30am; October:0.901% at 8:30am). Audiences gradually rose by noon to 2.771% (February); 2.181% in July; and to 3.016% in October. These continued rising and peaked in the early afternoon (February: 6.477% at 3:00pm; July:4.577% at 2:00pm; October: 4.356% at 2:00pm). Another peak was registered at 7:00pm (19.550%) in February; and at 6:00pm in July at 5.498% and in October at 7.581%. Audiences sharply rose at 8:00pm where the highest audiences were reached (February: 29.575%; July21.382%; October:27.828%). Audiences were generally maintained at 9:00pm (February: 26.892%; July:15.821%; October: 20.342%) falling to just more than 10% at 10:00pm (February:12.673%; July: 10.867%; October: 13.866%). Midnight audiences were less than 5% (February: 3.811%; July:2.078%; October: 1.343%). Of the local broadcasting stations TVM ranked first, followed by ONE and Net TV.



What are the favourite programme genres?

Respondents were asked what type of programme they like to watch on local television. A list of eleven categories were read out by the interviewer and respondents declared which they preferred.

Local & Foreign News were the most favorite programme genre [an average of 28.8%]. Local Drama ranked second [18.5%] while Discussion & Current Affairs programmes ranked third [12.9%]. Documentaries ranked fourth [7.8%], closely followed by Sport [7.5%] and Cultural/Educational programmes [7.2%].



Analysed by gender, male preferences exceeded those of females in four categories - Sports (+11.1%); News Local & Foreign [+4.4%]; Documentaries [+2.2%] and Discussion & Current Affairs [1.2%]. Female preferences exceed those of males in Drama (+8.5%); Light Entertainment (+3.2%); Religious programmes (+3.0%), and Teleshopping [+2.3%].

	Males				Females				+/-
	Feb	Jul	Oct	Avg.	Feb	Jul	Oct	Avg.	%
News Local & Foreign	35.08	30.68	27.40	31.1	28.51	26.19	25.36	26.7	4.4
Discussion & Current Affairs	14.91	11.99	13.86	13.6	13.65	11.23	12.21	12.4	1.2
Religious	1.54	1.97	3.71	2.4	5.28	4.31	6.70	5.4	3.0
Cultural/Educational	4.96	7.00	8.19	6.7	6.75	6.88	9.10	7.6	0.9
Sport	13.27	14.02	12.95	13.4	1.67	2.60	2.53	2.3	11.1
Drama	16.32	14.26	11.59	14.1	24.46	24.16	18.96	22.5	8.5
Documentaries	7.14	10.27	9.39	8.9	6.88	6.91	6.44	6.7	2.2
Light Entertainment/Comedy/Games	3.24	4.59	4.81	4.2	5.87	8.74	7.67	7.4	3.2
Children's	0.75	1.25	1.76	1.3	1.41	1.19	2.72	1.8	0.5
Teleshopping	0.95	1.54	2.08	1.5	3.40	3.67	4.33	3.8	2.3
Music Videos	1.84	2.43	4.25	2.8	2.13	4.11	3.99	3.4	0.6
	100%	100%	100%		100%	100%	100%		

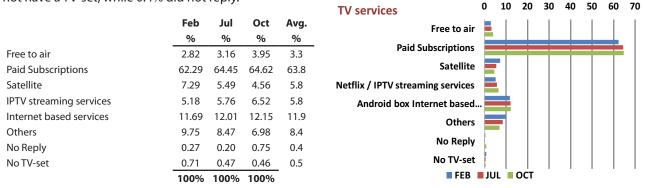
Analysed by age-groups, the highest three programme genres still had the same ranking throughout for all the age groups except for 16-30 year olds who on average preferred more Sport than Discussion & Current Affairs programmes.

Overall, programme genre preferences increase with age. The highest noticeable increase was that of Religious programmes which increased from an average of 1.0% of all 16-30 year olds to 7.4% of all 70+ year olds; while the most noticeable decrease was that of Music Videos which decreased from 5.7% for 16-30 year olds to 2.3% for all 70+ year olds.

		16	-30		31-50			51-70				70+				
	Feb	Jul	Oct	Avg.	Feb	Jul	Oct	Avg.	Feb	Jul	Oct	Avg.	Feb	Jul	Oct	Avg.
News Local & Foreign	32.64	23.31	27.46	27.8	35.24	31.71	26.86	31.3	30.61	28.21	26.71	28.5	28.34	28.17	24.27	26.9
Discussion & Current Affairs	11.61	8.88	10.97	10.5	14.93	10.74	13.40	13.0	14.23	13.89	13.24	13.8	15.18	11.24	13.57	13.3
Religious	0.57	0.25	2.05	1.0	1.65	1.09	4.05	2.3	3.89	4.15	6.10	4.7	6.91	6.93	8.21	7.4
Cultural/Educational	3.38	4.66	7.49	5.2	5.58	6.64	9.27	7.2	7.38	8.67	8.86	8.3	5.85	6.43	8.66	7.0
Sport	10.41	12.22	10.07	10.9	7.24	10.03	7.39	8.2	6.36	5.71	6.13	6.1	6.26	5.41	6.76	6.1
Drama	25.67	24.64	16.48	22.3	22.39	20.66	15.47	19.5	18.27	17.27	15.78	17.1	18.36	17.29	14.74	16.8
Documentaries	5.06	7.53	7.67	6.8	5.72	7.29	8.13	7.0	8.18	9.79	8.09	8.7	8.11	8.80	7.11	8.0
Light Entertainment/	5.01	7.72	6.65	6.5	2.97	6.35	6.24	5.2	5.59	6.10	6.09	5.9	4.92	7.67	6.61	6.4
Children's	1.71	2.27	1.90	2.0	1.16	0.96	2.57	1.6	0.79	1.01	1.85	1.2	1.04	1.03	2.75	1.6
Teleshopping	0.00	2.07	2.49	1.5	1.63	1.57	2.53	1.9	2.87	2.87	3.42	3.1	3.48	4.25	4.62	4.1
Music Videos	3.94	6.45	6.77	5.7	1.49	2.96	4.09	2.8	1.82	2.33	3.71	2.6	1.54	2.77	2.70	2.3
	100	100	100		100	100	100		100	100	100		100	100	100	

What type of reception service is used?

Respondents were asked what type of service they have to watch television. Six options were read out and service users had the option of identifying one or more service that they make use of. Taking all the responses, on average the most common service for watching television is that of a paid subscription [63.8%]; followed by Internet based services (eg Android box) [11.9%]; IPTV streaming (eg Netflix) [5.8%]; and Satellite [5.8%]. Another 8.4% of the population follow television programmes through laptop, mobile, or tablet streaming ("Others"); a further 0.5% do not have a TV-set; while 0.4% did not reply.



In October 3.95% of the respondents [\approx 20,800] follow television on the Free-to-air platform - this is not exclusive as there is a tendency to exclude this service once other paid services are used to follow television programmes. Of this group, 52.3% [\approx 10,900] have an only Free-to-air connection while the rest [47.7%; \approx 9,900] makes use of one or more of the services available.

More types of television services are used by those of the 31-50 age group while the lowest was that amongst the 70+ age group. While just half of the 16-30 age group [56.3%] make use of paid subscriptions, as much as 81.0% of the 70+ age group depend on this type of service.

What kind of programmes do minors watch?

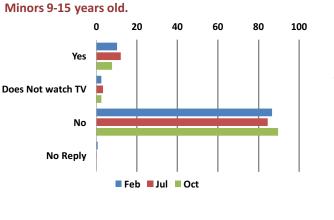
At the end of the telephone questionnaire respondents were asked whether they have children between 9 and 15 years old, and if in the affirmative, respondents were then

المحمد والمحمد المحمد المحمد والمحمد		Feb	Jul	Oct	Avg.
asked what type of programme their minors liked to watch		%	%	%	%
on television.	Yes	10.2%	12.1%	7.8%	10.0%
		[≈38,300	[≈45,000]	[≈29,000]	[≈37,400]
Out of all the respondents, 10% replied that they have	Does Not watch TV	2.5%	3.3%	2.4%	2.7%
minors who regularly watch TV – an estimate of 37,400		[≈9,300]	[≈12,300]	[≈9,200]	[≈10,300]
	16-30	[4.2%]	[7.3%]		[3.8%]
minors. On the other hand an average of 2.7% of	31-50	[89.2%]	[79.5%]	[94.8%]	[87.8%]
respondents – an estimate of 10,300 minors – stated that	51.70	[6.6%]	[13.2%]	[5.2%]	[8.3%]
although they have minors they do not watch television.	No	86.7%	84.5%	89.7%	87.0%
And the highest percentage of these (87.8%) are minors of	No Reply	0.6%	0.1%	0.1%	0.3%
the 31-50 age group.		100%	100%	100%	

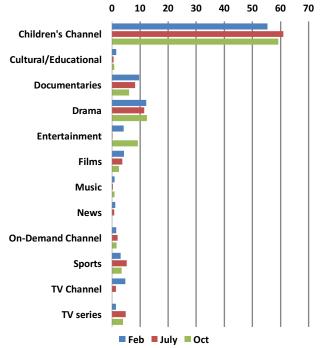
The responses were grouped into twelve different categories and analysed by the age groups of respondents. The most quoted were Children's Channel [58.5%], followed by Drama [12.0%] and Documentaries [8.0%].

In October, 31-50 year old respondents replied that their minors follow most Children's channels [58.6%]; followed by Entertainment programmes [13.3%]; Cultural/Educational programmes [9.1%] and TV series [6.6%]. Of all those between 51-70 years old nearly half of their minors [43.9%] follow a Children's channel; 20.9% follow Music programmes on TV; while the rest follow either a cultural/educational programme [17.6%] or an on-demand channel [17.6%].

Avg. Feb Jul Oct % % % % Children's Channel 58.5 55.4 61.02 59.2 Cultural/Educational 1.5 0.57 0.8 0.9 Documentaries 9.68 8.27 6.1 8.0 Drama 12.18 11.51 12.4 12.0 Entertainment 4.14 9.2 4.5 0.24 Films 4.26 3.66 2.4 3.5 Music 0.94 0.39 0.9 0.8 News 1.13 0.76 0.6 **On-Demand Channel** 1.5 2.05 1.6 1.7 Sports 3.07 5.27 3.4 3.9 TV Channel 4.8 1.39 2.1 TV series 1.4 4.87 3.4 3.9 100% 100% 100%



Programmes Minors Watch





BROADCASTING AUTHORITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

Statement of the Authority's Responsibilities	
Auditors' Report	
Income and Expenditure Account	
Balance Sheet	
Statement of Changes in Equity	
Cash Flow Statement	
Notes to the Financial Statements	

 Schedule 1: Income and Expenditure Account
Schedule 2: Administrative, Research and Communications Expenses
Schedule 3: Departmental Expenses

Statement of the Authority's Responsibilities

The Broadcasting Act, 1991 requires the board members to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Authority and of the income and expenditure of the Authority for that period. In preparing the financial statements, the board members are required to:-

- adopt the going concern basis unless it is inappropriate to presume that the Authority will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- account for income and charges relative to the accounting period on the accruals basis;
- value separately the components of assets and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The Authority is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Authority and to enable the board members to ensure that the financial statements have been properly prepared in accordance with the Broadcasting Act, 1991. This responsibility includes designing, implementing and maintaining such internal control as the Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Authority is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors' Report

We have audited the accompanying financial statements of the Broadcasting Authority (the "Authority") set out on pages 50 to 56 which comprise the balance sheet as of 31 December 2017, the income statement and notes to the financial statements, including a summary of significant accounting policies.

Board Members' Responsibility for the Financial Statements

The Authority's Board Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with GAPSME, and for such internal control as the Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonable be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Conclude on the appropriateness of the Board Members' use of the going concern basis of accounting and based
 on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast
 significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty
 exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Opinion

In our opinion, the financial statements have been properly prepared in accordance with the Maltese Broadcasting Act (Cap. 350), enacted in Malta, which permits compliance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME), for qualifying entities as prescribed in those regulations.

John Abela (Partner) for and on behalf of

Horwath Malta Member of Crowe Horwath International

La Provvida Karm Zerafa Street Birkirkara BKR1713 Malta

14 March 2018

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2017

	Notes	2017 €	2016 €
Income	3	1,076,644	1,058,797
Expenditure	-	(1,012,435)	(1,044,045)
Surplus for the year	4	64,209	14,752
BALANCE SHEET 31 DECEMBER 2017			
		2017	2016
	Notes	€	€
ASSETS			
Non-current Assets			
Property, Plant and equipment	5	1,976,514	2,029,371
Current Assets			
Trade and other receivables	6	325,573	281,889
Cash and bank balances	-	461,605	381,425
		707 170	662 214

		787,178	663,314
Total Assets		2,763,692	2,692,685
CAPITAL AND LIABILITIES			
Capital and Reserves			
Capital fund	7	2,572,737	2,572,737
Reserve Fund	7	37,270	37,270
Revaluation reserve	8	293,699	293,699
Accumulated reserve	9	(332,115)	(396,324)
		2,571,591	2,507,382
Current Liabilities			
Trade and other payables	10	192,101	185,303
Total Capital and Liabilities		2,763,692	2,692,685

The financial statements on pages 50 to 56 were approved and authorised for issue by the Board Members on 14 March 2018 and signed on its behalf by:

e Mr. Martin Micallef

Chairman

7, Mile End Road Hamrun HMR 1719

Dr. Joanna Spiteri Chief Executive Officer

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2017

1. Basis of Preparation

Basis of measurement and statement of compliance

The financial statements of Broadcasting Authority ("the Authority") have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME"). The financial statements are prepared on the historical cost basis, except for freehold land and buildings which are stated at revalued amounts.

Functional and presentation currency

The financial statements are presented in Euro, which is the Authority's functional currency.

2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property, plant and equipment may be carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses, or under the revaluation model, that is at their fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses.

After initial recognition land and buildings are carried under the revaluation model. Other property, plant and equipment are carried under the cost model. Revaluations are made for the entire class of land and buildings with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a systematic straight line basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each period is recognised in the profit or loss.

The depreciation rates charged are as follows:

	%
Buildings	1 per annum straight line
Motor vehicles	20 per annum straight line
Studio equipment	20 per annum straight line
Fixtures, fittings and equipment	10 – 20 per annum straight line
Technical equipment	25 per annum straight line
Transmitting antenna	4 – 12 per annum straight line

Land is not depreciated.

Depreciation method, useful life and residual value

The depreciation method applied, residual value and the useful life are reviewed on a regular basis and when necessary, revised with the effect of any changes in estimate being accounted for prospectively.

Derecognition of property, plant and equipment

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses arising from derecognition represent the difference between the net proceeds (if any) and the carrying amount and are included in profit or loss in the period of derecognition.

Financial assets, financial liabilities and capital equity

A financial asset or a financial liability is recognised on the Authority's balance sheet when the Authority becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at their fair value plus in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets and financial liabilities are derecognised if and to the extent that, it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.

An equity instrument is any contract that evidences a residual interest in the assets of the Authority after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

A financial instrument, or its component parts, is classified as a financial liability, financial asset or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form.

i. Trade and other receivables

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment.

ii. Trade and other payables

Trade and other payables are stated at their nominal value unless the effect of discounting is material, in which case trade and other payables are measured at amortised cost using the effective interest method.

Impairment

The Authority's property, plant and equipment and financial assets are tested for impairment.

i. Property, plant and equipment

The carrying amounts of the Authority's property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

The carrying amounts of the Authority's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in the profit or loss, unless they relate to an asset which is carried at revalued amount,

in which case they are treated as a revaluation increase unless an impairment loss on the same asset was previously recognised in profit or loss.

ii. Financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost or cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal does not result in a carrying amount of the financial asset that exceeds what the amoritsed cost/cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes.

Income recognition

- a. Income from Government is recognised on an accrual basis.
- b. Income from the provision of services is recognised in proportion to the stage of completion at the balance sheet date.
- c. Interest income from investments is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Employee benefits

The Authority contributes towards the state pension in accordance with local legislation. The only obligation of the Authority is to make the required contributions. Costs are expected in the period in which they are incurred.

3. Income

Income represents amount receivable from the Government of Malta as subvention, licences from broadcasting organisations, investment and other income as follows

	2017	2016
	€	€
Government of Malta subvention	583,000	583,000
Licences from broadcasting organisations and application fees	475,116	473,581
Investment income	878	1,220
Other income	17,650	996
	1,076,644	1,058,797

4. Surplus for the Year

This is stated after charging the following:

	2017	2016
	€	€
Board members' and board secretary's compensation	103,695	101,942
Wages and salaries	588,559	595,422
Depreciation	75,368	78,014
Audit fees	1,600	1,600
Staff costs incurred during the year are analysed as follows:		
	2017	2016
	€	€
Board members' honoraria	63,604	65,189
Board secretary's salary	40,091	36,753
Wages and salaries	546,264	551,202
	649,959	653,144
Social security contributions	42,295	44,220
	692,254	697,364

The average number of persons employed during the year, including board members, was made up as follows:

	2017	2016
	No.	No
Board members	5	5
Operations	26	25
	31	30

5. Property, Plant and Equipment

				Fixtures				
	Freehold	Building &	Transmitting	Fittings &	Technical	Studio	Motor	
	Land	Improvements	Antenna	Equipment	Equipment	Equipment	Vehicles	Total
	€	€	€	€	€	€	€	€
At 01 January 2017								
Cost/revalued amount	160,270	1,862,680	813,511	493,063	147,831	161,241	35,450	3,674,046
Accumulated depreciation	-	(393,474)	(484,601)	(422,642)	(147,267)	(161,241)	(35,450)	(1,644,675)
Net book amount	160,270	1,469,206	328,910	70,421	564	-	-	2,029,371
Year ended 31 December 2017								
Opening net book amount	160,270	1,469,206	328,910	70,421	564	-	-	2,029,371
Additions	-	-	-	9,254	699	-	19,800	29,753
Disposals	-	-	(34,892)	(6,654)	(25,252)	(184)	(22,500)	(89,482)
Depreciation charge	-	(18,627)	(20,869)	(31,257)	(655)	-	(3,960)	(75,368)
Depreciation release on disposal	-	-	30,357	3,947	25,252	184	22,500	82,240
Closing net book amount	160,270	1,450,579	303,506	45,711	608	-	15,840	1,976,514
At 31 December 2017								
Cost/revalued amount	160,270	1,862,680	778,619	495,663	123,278	161,057	32,750	3,614,317
Accumulated depreciation	-	(412,101)	(475,113)	(449,952)	(122,670)	(161,057)	(16,910)	(1,637,803)
Net book amount	160,270	1,450,579	303,506	45,711	608	-	15,840	1,976,514

5. Property, Plant and Equipment (continued)

Land and buildings

Land and the transmitting antenna were revalued by an independent valuer on 25 March 1991 and 28 August 1991 respectively on an open market existing use basis.

The carrying amount of land and transmitting antenna that would have been included in the financial statements had these assets been carried at cost less accumulated depreciation and accumulated impairment losses is €1,525 (2016: €1,525).

Revaluation reserve

The revaluation reserve has arisen from a valuation carried out on the Authority's land and transmitting antenna in 1991.

	2017	2016
	€	€
As at 1 January	293,699	293,699
As at 31 December	293,699	293,699

Commitments The Authority has no capital commitments as year end.

Fully depreciated fixed assets

Fully depreciated fixed assets still in use at the balance sheet date amounted to:

	2017	2016
	€	€
Motor vehicles	12,950	35,450
Fixtures, fittings and equipment	342,383	338,384
Studio equipment	161,059	161,242
Technical equipment	122,180	145,910
Transmitting Antenna	169,407	172,689
	807,979	853,675

6. Trade and other Receivables

	2017	2016
	€	€
Licences receivable	235,556	208,120
Other debtors	10,322	8,939
Prepayments and accrued income	77,338	62,473
Advance payments	2,357	2,357
	325,573	281,889
	323,373	201,005

Licences receivable and other receivables are stated net of a provision for bad debts amounting to €57,622 (2016: €56,776) and €7,982 (2016: €8,091) respectively.

7. Capital Fund and Reserve Fund

These funds have been set up in accordance with Section 26 of the Broadcasting Act, 1991.'

8. Accumulated Reserve

The accumulated reserve represents net accumulated deficit

9. Trade and Other Payables

	2017	2016
	€	€
Capital creditor		2,494
Accruals and deferred income	192,101	182,809
	<u> </u>	185,303

10. Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2017	2016
	€	€
Cash at bank and in hand	461,605	381,425

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2017

Schedule 1

Income and Expenditure Account Year ended 31 December 2017

	2017 €	2016 €
Income	503.000	502.000
Government contributions	583,000	583,000
Application fees Licences	44,769 320,650	23,225 341,575
Rental fees receivable	49,143	48,227
Master Antenna facilities fees	60,554	60,554
Investment income	878	1,220
Other income	17,650	996
	1,076,644	1,058,797
Expenditure		
Administrative (schedule 2)	603,231	617,120
Research and communications (schedule 2)	89,728	93,514
Production (schedule 3)	4,837	-
Monitoring (schedule 3)	279,267	296,257
Technical (schedule 3)	35,372	37,154
	1,012,435	1,044,045
Sekodulo 2		
Schedule 2 Administrative, Research and Communications Expenses Year ended 31 December 2017		
	2017	2016
	€	€
Administrative Expenses		
Members' honoraria	63,604	65,189
Legal and consultancy advisors honoraria	16,376	9,225
Wages & Salaries	286,107	282,612
Local programme awards	6,038	-
Staff training	1,369	3,096
Telecommunications	11,409	16,692
Water and electricity Insurance	21,038 5,561	19,505 6,374
Stationery	7,773	6,024
Subscriptions and publications	1,795	2,117
International organisations membership fees	2,400	6,064
Repairs and maintenance	4,407	10,165
IT maintenance and support	8,124	11,556
Duty visits abroad	16,424	29,966
Transport	13,284	12,462
Cable TV rentals	5,751	7,462
Staff health scheme	19,670	21,967
Sundry expenses	9,017	13,173
Auditors' remuneration	1,600	1,600
Legal and professional fees	11,674	11,172
Depreciation	74,713	75,115
Increase/(Decrease) in provision for bad debts	738	(10,639)
Secretarial services	-	1,048
Material archiving	11,154	5,701
Loss on disposal of property, plant and equipment	3,205	9,474
	603,231	617,120

	2017 €	2016 €
Research and Communications Expenses		
Wages and salaries	55,248	49,494
Audience and qualitative research study	25,099	19,052
Seminars and conferences	-	6,123
Public relations	3,691	9,052
Advertising	691	4,599
Broadcasters' training and support	3,600	2,700
BA reports and publications	1,399	2,494
	89,728	93,514
Schedule 3		
Departmental Expenses Year ended 31 December 2017		
	2017	2016
	€	€
Production Department		
TV political broadcasts	4,837	-
Menitoring Department		
Monitoring Department Wages and salaries	277,049	290,844
Purchase of recording media	193	290,844 64
Repairs and maintenance	-	50
Depreciation	655	2,899
Staff training	1,370	2,400
Stan training	1,570	2,400
	279,267	296,257
Technical Department		
Gharghur site running costs	35,130	36,773
Technical assistance	150	253
Sundry expenses	92	128
		120
	35,372	37,154



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