



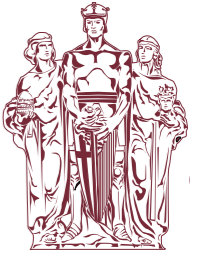
PARLAMENT TA' MALTA

IT-TLETTAX-IL LEGIŻLATURA

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Raymond Scicluna
Skrivan tal-Kamra



L-Awtorità tax-Xandir
MALTA
Broadcasting Authority Malta

BROADCASTING AUTHORITY ANNUAL REPORT 2016

ANNUAL REPORT 2016

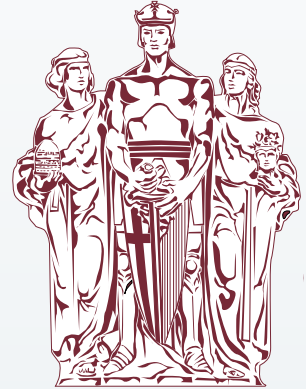


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ANNUAL REPORT

2016

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

June 2017

Honourable Prime Minister,

Broadcasting Authority Annual Report 2016

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 2016.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tanya Borg Cardona', written over a horizontal line.

Ms Tanya Borg Cardona
Chairperson

A handwritten signature in black ink, appearing to read 'J. Spiteri', written over a horizontal line.

Dr Joanna Spiteri
Chief Executive

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01

REVIEW OF THE YEAR

1.1 The Broadcasting Authority

The year under review can best be described as a year of change. Mr Anthony J Tabone's five-year term as Chair of the Authority came to an end on 31st December 2015. He was succeeded by Ms Tanya Borg Cardona, a historic appointment as it marked the first time that the Authority was chaired by a woman. Another newcomer to the Board in January 2016 was Mr Christian Scicluna who replaced long-serving member Mr Alfred Mallia Milanés. The new board was appointed for a two-year term, but the composition of the Authority experienced further changes during the year following the resignation of Dr Reno Borg and Ms Rose Sciberras in late April. Mr Frans Ghirxi and Dr Alessandro Lia were the new members appointed by the President of the Republic on 15th June 2016.

In August 2016, Mr Pierre Cassar, who served as Chief Executive from March 2009, resigned and, following a public call for applications, the Board appointed Dr Joanna Spiteri as the new Chief Executive on 25th October 2016.

During the year in review the Authority held a total of 25 meetings.

1.2 Ghargħur Transmitting Facilities

After 25 years of service, the Master Antenna at the Ghargħur Transmitting Tower was replaced together with the installation of a new back-up system. Renowned company Alan Dick Ltd was tasked with this assignment following a report commissioned to the same company and which had identified corrosion in the Master Antenna as being the main cause of interference on frequency 106.6Mhz.

The project heralded a new era for the Broadcasting Authority as, for the first time ever, radio stations did not necessitate switching off their signals whenever maintenance work was conducted on the Tower because the back-up system can be utilised to allow transmission at reduced power levels.

The project required months of meticulous planning which included, *inter alia*, the relocation of equipment used by third parties to free enough space for the installation of the back-up system.

1.3 Sponsorship - Certificate Course in Proof Reading

In order to promote the correct use of the Maltese language on the broadcasting media, the Broadcasting

The Authority was thus composed of:**Chair**

Ms. Tanya Borg Cardona (appointed on 01/01/2016)

Members

Dr Reno Borg B.A. (Hons.), M.A., LL.D. (terminated on 27/04/2016)

Ms Rose Sciberras B.A. (Hons.) Dip. Laws of Proc. (Melit.) (terminated on 29/04/2016)

Dr Peter Fenech M.A., LL.D. (re-appointed on 01/01/2016)

Mr Christian Scicluna (appointed on 01/01/2016)

Dr Alessandro Lia LL.D. (appointed on 15/06/2016)

Mr Frans Ghirxi (appointed on 15/06/2016)

Chief Executive

Mr Pierre Cassar M.Sc., B.A. (Hons.), Dip. Laws of Proc. (Melit.) (terminated on 23/08/2016)

Dr Joanna Spiteri, B.A. Hons. (Communication Studies), M.A., Ph.D (appointed on 25/10/2016)

Secretary

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

Authority again sponsored media personnel occupying different roles in the industry to follow a course in proof reading of the Maltese language. The course, organised by the University of Malta, is of a year's duration and started in February 2016 with the beneficiaries signing an agreement binding them to attend all the sessions and to sit for examinations. This course leads to a formal qualification whilst raising standards of the local language, both written and spoken, on radio and television.

The following four persons benefited from the sponsorship:

- Dylan Paul Farrell, journalist from One Productions Ltd.
- Pamela Ann Schembri, sports journalist from One Productions Ltd.
- Vivienne Bajada, Information Coordinator from Media.Link Communications Co. Ltd
- Marica Mizzi, freelance producer.

1.4 Sponsorship - Malta Journalists Awards

The Authority was once again pivotal in supporting these awards by sponsoring four broadcasting categories. The winners of the respective categories were:

- Broadcast Journalism – TV Script News:
Keith Demicoli (PBS)
- Broadcast Journalism – TV Script Features:
Mario Xuereb (TVM)
- Broadcast Journalism – Film:
PBS Newsroom
- Broadcast Journalism – Radio:
Mario Xuereb (Radju Malta)

1.5 Thematic Reports compiled by the Monitoring Department

Apart from the daily monitoring of radio and tv programmes, from time to time, the Monitoring Department generates a wide range of complementary thematic reports which provide an in depth analysis of trends and observations in the local broadcasting media.

During the first quarter, the Monitoring Department worked on three reports which focused on the presentation of news on ONE, NET TV and TVM. These reports highlighted the different ways of presentation, biases, slants and political exposure; other aspects related to content analysis such as elements of commercial influence also emerged.

Moreover, the Monitoring Department came up with a number of qualitative reports on telethons aimed at raising funds for the vulnerable and those in need. These reports underlined the different approaches of the organisations which coordinate them and highlighted the

common positive and negative practices in relation to the portrayal of vulnerable persons.

Politics is a recurrent theme which characterises thematic reports. Such reports usually focus on different aspects related to this theme but also provide an indepth analysis of particular trends or contexts. In this respect, the Monitoring Department compiled a thematic report analysing *Il-Parlament tal-Poplu, Stat ta' Fatt, Vis-à-vis, Mhux Percezzjoni*, and *Exodus*.

Due consideration was also given to all aspects related to audiovisual commercial communications. On such content, the Monitoring Department compiled a report analysing the concept of *Thematic Placement in Local Drama and The Blurring between Editorial and Advertising Content* in general.

Furthermore, from a more specific point of view, the Monitoring Department compiled thematic and analytical reports on programmes such as *Għawdex Illum* and *L-Aħbarijiet Finanzjarji*. The Monitoring Department also worked on a number of reports which analyse PBS's schedules. On the basis of these reports, the Monitoring Department sets its priorities and drafts its risk assessment leading to investigation and monitoring of specific content.

Since the Broadcasting Authority is looking to being more proactive, a thematic report on media literacy was compiled to investigate the state of play of the local media industry in this regard and to come up with a way forward.

1.6 Reach-out

In recent years, the Broadcasting Authority did not limit itself to its traditional regulatory role but also embarked on a number of reach-out events to stakeholders and the industry alike. In so doing, the Authority drew up a structured plan to strengthen its relationship with stakeholders through advice and guidance on the interpretation of provisions set out in the Broadcasting Act. In this regard, the Monitoring Department coordinated five events, focusing on different themes arising from market developments and dynamics.

Acknowledging the fact that information and education constitute the basis for good quality productions and in line with the EU Commission's progressive push towards media literacy, on 13th April 2016 the Monitoring Department designed a lecture followed by a tour of the Authority's premises for MCAST students within the Institute of Creative Arts. Apart from familiarising themselves with the main broadcasting legislative tools to which they would be bound once

in the labour market, MCAST students were given the opportunity to see both the Authority's premises as well as the daily monitoring operational procedures.

On 11th May 2016, the Broadcasting Authority organised its first inter-authority workshop together with the Occupational Health and Safety Authority – OHSA, during which broadcasting stations and producers were given the opportunity to discuss issues on the portrayal of health and safety practices at work in television programmes. As a result, a number of producers committed themselves to greater efforts for a better portrayal of health and safety standards as well as to improve their workplace environment for the benefit and well-being of their employees.

Subsequently, on 2nd June 2016, together with the *Għaqda Ġurnalisti Sport (GħĠS)*, the Broadcasting Authority organised a panel discussion themed '*L-Użu tal-Malti fi Programmi Sportivi fuq il-Mezzi tax-Xandir*'. For this event, the Monitoring Department compiled and presented the results of a qualitative report highlighting the main shortcomings in the use of the Maltese language in sports programmes and broadcasts. The event proved very fruitful as a number of stakeholders and producers had the opportunity to network also with representatives of Il-Kunsill tal-Ilsien Malti who supported the event from its onset.

Another bilateral event organised by the Broadcasting Authority was a one-day seminar held on 30th September 2016 on the glossary of terminology published by the European Migration Network. During this seminar, Professor Anthony Aquilina from the University of Malta spoke about the terminology used in asylum and migration reports while an official from the Monitoring Department presented practical examples of misrepresentation of such issues in local television programmes. This event created greater awareness among journalists and producers; they appreciated the importance of this tool in dealing with the topics of asylum and migration.

Considering feedback received from producers seeking guidance from the Broadcasting Authority whilst still in preproduction phase, on 7th December 2016, the Monitoring Department delivered a half-day seminar to broadcasting stations and producers in order to shed light on the provisions related to product placement. Since product placement is a relatively new form of advertising which allows the insertion of commercial products in programme content, the matter of surreptitious advertising has become a constant issue. Throughout this seminar the Monitoring Department team highlighted a number of issues pertaining to

different genres, and participants were given the possibility to discuss ways which ensure compliance.

Apart from presenting a new challenge, these events proved beneficial for the staff of the Monitoring Department, both as a means of enhancing their overall skills as well as in keeping them abreast with the latest market realities of a constantly changing sector.

1.7 Political Broadcasts

Against a backdrop of five consecutive years in which the Authority was called upon to organise schemes of political broadcasts in conjunction with elections or referenda campaigns, the year in review marked a break from such a function as no elections were held.

The Authority is duty bound to organise schemes of political broadcasts, including overseeing the broadcast of political spots as envisaged in Article 13(4) of the Broadcasting Act. Since 2011, the Authority organised such schemes for the Divorce Referendum, the Local Council Elections of 2012, the General Election, the MEP Elections, the Spring Hunting Referendum, and Local Council Elections of 2015.

1.8 Equality Certification

The National Commission for the Promotion of Equality awards this certification to companies/organisations that make gender equality one of their values and whose management is based on the recognition and promotion of the potential of all employees irrespective of their gender and caring responsibilities.

On the 10th October 2016 the Broadcasting Authority was awarded The Equality Mark and it has now joined the list of certified gender equal opportunities employers. The process leading to the attainment of this award required significant commitment by the organization, which entailed a thorough analysis of existing rules and regulations and the introduction of a number of policies in order to meet the onerous requisites associated with this standard. The Authority will continue to strive to maintain this high standard for the future.

1.9 Wear it Pink

The Authority's staff took part in the Pink October philanthropic initiative aimed to raise awareness and funds for the fight against breast cancer. On 24th October, they were encouraged to wear something pink and make a donation. Their donations were topped up by the Authority and totalled EUR300.



THANKING ANTHONY J TABONE AND ALFRED MALLIA MILANES WELCOMING TANYA BORG CARDONA AND CHRISTIAN SCICLUNA

15 February 2016



02

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 6 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 2016 according to station.

All six charges resulted in a warning.

2016	Station	Programme	Broadcast	Charge	Broadcasting Act
Television	F Living	<i>Telshopping</i>	22 Jan	Excessive advertising - 20% per clock hour	Paragraph 15 of the Third Schedule
	ONE	<i>Dak li Jghodd</i>	23 Jan and 06 Feb	Surreptitious advertising and undue prominence in product placement	Article 16K(a) and 16M (3)(c)
	Net TV	<i>Distinti</i>	05 Feb and 22 Feb	Surreptitious advertising and product placement of alcoholic drinks	Article 16K(a) and 16M(4)(c)
	Net TV	<i>Benniena</i>	05 Mar	Surreptitious advertising and product placement of alcoholic drinks	Article 16K(a) and 16M(4)(c)
	TVM	<i>Lux Design</i>	23 Jan	Distinction between advertising and teleshopping from editorial content	Paragraph 4 of the Third Schedule
	TVM	<i>Animal Diaries</i>	13-Feb	Surreptitious advertising and undue prominence for product placement without payment	Article 16M(2)(b); 16K(a) and 16M(3)(c)

GHARGHUR TRANSMITTING TOWER

April 2016



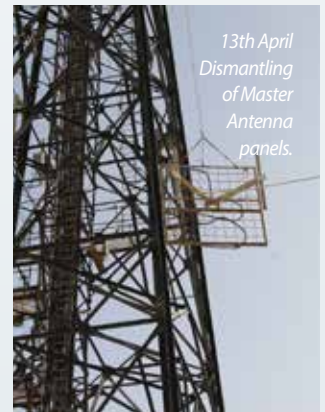
24th March - Delivery of Reserve Antenna and Main Antenna



1st April - the First Di-pole Panel of the Reserve Antenna being lifted.



11 April - Reserve Antenna switched on.



13th April Dismantling of Master Antenna panels.



15th April - The first Panel of the Master Antenna being hoisted.



Two of the damaged Di-poles (above)



16th April - 19:00hrs The new Master Antenna was switched on for the first time.

03

BROADCASTING LICENCES

3.1 Radio Broadcasting Licences

3.1.1 Community Radio Stations

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

During the year under review, the Broadcasting Authority issued 31 licences for community radio stations. Ten of these were issued for a further period of three years subsequent to expiry of the previous licence, with the long term station in question reapplying. In addition, a 3-year community radio licence with a probationary period of one year was issued to a new station, Elite Radio, to operate from San Gwann on 107.3MHz from 1st July 2016. Its schedule consists mainly of music besides featuring some other programmes of particular interest to the San Gwann community like information from the local council.

Twenty short-term licences were issued during the course of the year, some stations being granted licences to transmit during different times of the year.

Big FM, which transmitted from Birkirkara, decided to terminate its transmissions as of January 2016 while *Radju Elenjani*, a community radio station operated by Kažin Santa Liena, Banda Duke of Connaught's Own, Birkirkara, was closed down in December 2016.

The total number of long term community radios operating at the end of 2016 was 28.

3.1.2 Drive-In Cinema Event

In December 2016 the Authority approved the use of a frequency for a one-day drive-in cinema event organised by KSU, University of Malta, in one of the University car parks. This was held in aid of Dar tal-Providenza.

3.1.3 Nationwide Analogue Radio (FM/AM)

The licences of the following nationwide stations on the FM dial expired during the year in review. *Smash Radio* had its licence renewed on 8th June; *Radio 101's* licence

was renewed on 15th June; and that of *Radju RTK* on 30th December. Therefore the number of nationwide stations on the FM dial remained thirteen. The stations were issued a new analogue licence valid for six years.

3.1.4 Digital Radio Platform

Bay Retro operated by Eden Entertainment Ltd. stopped transmitting in July and the digital radio station *DJ956* operated by Dee Jays Enterprises Ltd did not request a new licence when its licence expired on 9th November.

A new digital radio licence was granted to D.A.V. Ltd to operate *Switch Radio* from 1st November. The schedule consists of music, BBC news, occasional breaks for IT news and Maltese programming content of a political and non-political nature.

3.1.5 Request for a Medium Wave Radio Station

In October 2016, Strategic Communications Group expressed an interest in establishing a MW international radio station in Malta that would reach North Africa to provide Arabic Christian programming. This would be *Voice of Hope – Malta*. The organisation owns and operates several Voice of Hope radio stations worldwide. The Authority did not have enough information to approve the issue of a licence by the end of the year and meetings are still being held.

3.2 Nationwide Television and Satellite Stations

3.2.1 Television Stations

The Parliamentary Service Act, 2016 amended Article 10 of the Broadcasting Act to authorise the issue of a parliamentary broadcast content licence to the Speaker of the House of Representatives. A 'parliamentary broadcast content licence' means a licence to broadcast plenary and committee sessions of the House of Representatives and any other activity taking place in the Parliament building organised by or in conjunction with the Office of the Speaker through a nationwide radio or television service. The television station, *Parliament TV*, was issued with a licence effective August 2016 and is part of the GIO network operated by PBS.

Community Radio Stations broadcasting during 2016:

Lic. No.	Station	Transmitting from	Duration	Valid From	Freq MHz	2016											
						Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Long Term - Malta																	
602/707	BKR Radio	Birkirkara	3 years	01-Aug-16	94.5	X	X	X	X	X	X	X	X	X	X	X	X
664	Kottoner 98FM	Cospicua	3 years	29-Jul-15	98.0	X	X	X	X	X	X	X	X	X	X	X	X
621	Radju Vilhena	Floriana	3 years	14-Jan-14	96.1	X	X	X	X	X	X	X	X	X	X	X	X
658	Radio Galaxy	Hamrun	3 years	14-Jun-15	105	X	X	X	X	X	X	X	X	X	X	X	X
647	Trinitarji FM 89.3	Marsa	3 years	01-Apr-15	89.3	X	X	X	X	X	X	X	X	X	X	X	X
668	Y4J Radio	Naxxar	3 years	06-Oct-15	105.4	X	X	X	X	X	X	X	X	X	X	X	X
620	Heart FM	Paola	3 years	02-Apr-14	94.3	X	X	X	X	X	X	X	X	X	X	X	X
608/709	Bastjanizi FM	Qormi	3 years	23-Nov-16	95.0	X	X	X	X	X	X	X	X	X	X	X	X
584/690	Lehen il-Belt Ġorġjana	Qormi	3 years	29-Feb-16	105.6	X	X	X	X	X	X	X	X	X	X	X	X
650	Radio Messiah 97.8FM	Qormi	3 years	01-May-15	97.8	X	X	X	X	X	X	X	X	X	X	X	X
649	Mics FM	Rabat, Malta	3 years	16-Apr-15	93.3	X	X	X	X	X	X	X	X	X	X	X	X
679	Deejays Radio 95.6FM	San Gwann	3 years	23-Nov-15	95.6	X	X	X	X	X	X	X	X	X	X	X	X
603/705	Radju Xeb-er-ras	Valletta	3 years	25-Jul-16	90.8	X	X	X	X	X	X	X	X	X	X	X	X
606/710	Radio City	Valletta	3 years	02-Dec-16	107.6	X	X	X	X	X	X	X	X	X	X	X	X
612/718	La Salle FM	Vittoriosa	3 years	01-Dec-16	99.4	X	X	X	X	X	X	X	X	X	X	X	X
645	Radju Hompesch	Zabbar	3 years	20-Mar-15	90.0	X	X	X	X	X	X	X	X	X	X	X	X
636	Unique	Zabbar	3 years	05-Aug-14	104.1	X	X	X	X	X	X	X	X	X	X	X	X
598/702	Radju Santa Katarina	Żurrieq	3 years	29-Jun-16	90.6	X	X	X	X	X	X	X	X	X	X	X	X
New Station																	
701	Elite Radio	San Gwann	3 years	01-Jul-16	107.3							X	X	X	X	X	X
Long Term - Gozo																	
652	Lehen il-Belt Victoria	Victoria, Gozo	3 years	25-Jun-15	104.0	X	X	X	X	X	X	X	X	X	X	X	X
670	Radio Sacro Cuor [G]	Fontana, Gozo	3 years	15-Nov-15	105.2	X	X	X	X	X	X	X	X	X	X	X	X
673	Radju Vizitazzjoni	Gharb, Gozo	3 years	12-Dec-15	92.4	X	X	X	X	X	X	X	X	X	X	X	X
674	Radju Katidral	Victoria, Gozo	3 years	01-Dec-15	90.9	X	X	X	X	X	X	X	X	X	X	X	X
682	Radju Bambina	Xaghra, Gozo	3 years	13-Dec-15	98.3	X	X	X	X	X	X	X	X	X	X	X	X
683	Radju Luminaria	Nadur, Gozo	3 years	14-Dec-15	106.9	X	X	X	X	X	X	X	X	X	X	X	X
582/685	Radju Sokkors	Kercem, Gozo	3 years	29-Feb-16	95.1	X	X	X	X	X	X	X	X	X	X	X	X
580/686	Radju Lehen il-Qala	Qala, Gozo	3 years	17-Feb-16	106.3	X	X	X	X	X	X	X	X	X	X	X	X
581/687	Radju Prekursur	Xewkija, Gozo	3 years	19-Feb-16	99.3	X	X	X	X	X	X	X	X	X	X	X	X
Short-Term																	
691	12th May Radio	Zebbug, Malta	1 month	13-May-16	96.5					X							
693	Radju Margerita	Sannat, Gozo	1 month	01-Jul-16	96.1							X					
694	Radju Kazin Banda San Filep	Zebbug, Malta	1 month	13-May-16	106.3					X							
704	Radio Leonardo	Kirkop	9 days	13-Aug-16	105.2								X				
Short-Term Multiple Licence																	
692	Lehen il-Ġużeppini	Ghaxaq	1 month	10-May-16	89.1					X							
717	Lehen il-Ġużeppini	Ghaxaq	1 month	10-Dec-16	89.1												X
698	Radju Sant'Andrija	Luqa	21 days	13-Jun-16	88.4						X						
711	Radju Sant'Andrija	Luqa	18 days	26-Nov-16	88.4											X	
697	TalĠilju FM	Mqabba	11 days	10-Jun-16	95.4						X						
714	TalĠilju FM	Mqabba	10 days	02-Dec-16	95.4												X
688	2016 Jehovah's Wit	Qawra	1 day	10-Apr-16	108.0				X								
708	2016 Jehovah's Wit	Qawra	3 days	09-Sep-16	108.0								X				
703	Radju 15 t'Awwissu	Qrendi	25 days	23-Jul-16	98.3								X				
716	Radju 15 t'Awwissu	Qrendi	22 days	12-Dec-16	98.3												X
699	Lehen il-Karmelitani	Żurrieq	1 month	01-Jul-16	101.4							X					
713	Lehen il-Karmelitani	Żurrieq	1 month	01-Dec-16	101.4												X
689	Radju Lauretana	Ghajnsielem, Gozo	15 days	13-Mar-16	89.3			X									
695	Radju Lauretana	Ghajnsielem, Gozo	17 days	20-May-16	89.3				X								
706	Radju Lauretana	Ghajnsielem, Gozo	26 days	05-Aug-16	89.3								X				
715	Radju Lauretana	Ghajnsielem, Gozo	1 month	08-Dec-16	89.3												X

3.2.2 Satellite Licences

A new 4-year satellite television licence valid from 15th June 2016 was granted to Thema Television Malta Ltd. to operate *Novelas TV*. This niche channel, which transmits in French, offers a wide variety of telenovelas.

In accordance with Article 16(1) of the Broadcasting Act, the Authority approved the transfer of the satellite tv licence issued to Thema Television Malta Ltd on 1st July 2014 to operate *EbonyLife TV* to Ebony Life International Ltd. with such transfer becoming effective on 1st July 2016.

In late 2015 the Authority was notified that Thema Television Malta Ltd decided to drop the station *Al Resalah*; so in February 2016 the Authority withdrew its licence. In 2016 the company also stopped transmitting *Bukedde TV 1*, *Citizen TV*, *Channels*, and *Soundcity* which had their licences withdrawn on 30th June, while the following stations also stopped and had their licences withdrawn on 6th August: *Al Ahly*, *Ya Hala!*, *Jeem TV*, and *Baraem.TV*. At the end of 2016, Thema Television Malta Ltd. held the following licences issued by the Broadcasting Authority, Malta: *Kyknet Musiek*, *Kyknet*, *Silverbird*, *Metro TV*, *Nollywood TV*, *Gospel Music TV* and *Novelas TV*.

Mulgara Television Ltd. closed the station *Dragon Cinema* on 13th July 2016 and therefore had this licence withdrawn.

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

PORTRAYAL OF HEALTH AND SAFETY PRACTICES

11 May 2016

Seminar organised by the Broadcasting Authority and the Occupational Health and Safety Authority on the portrayal of health and safety practices at work in television programmes.



04

BROADCASTING LEGISLATION

4.1 Amendments to the Broadcasting Act

Article 10 (4A) of the Broadcasting Act Chapter 350 of the Laws of Malta was amended to include sub-paragraph (c):

- i. (4A) *In so far as nationwide television services are concerned, the Authority may issue the following categories of television broadcasting licences:*
 - a. a general interest broadcast content licence issued to any broadcaster other than the company referred to in subarticle (4C);
 - b. a commercial broadcast content licence issued to any broadcaster;
 - c. a parliamentary broadcast content licence issued to the Speaker of the House of Representatives.

Article 10 (4E) was amended to include the definition of a parliamentary broadcast content licence:

- ii. "parliamentary broadcast content licence" means a licence to broadcast plenary and committee sessions of the House of Representatives and any other activity taking place in the Parliament building organised by or in conjunction with the Office of the Speaker, through a nationwide radio service and or nationwide television service.

Article 10 (5) was also amended vis-a-vis a parliamentary broadcast content licence:

- iii. (5) A licence for any broadcasting service may only be awarded to a company regularly incorporated in Malta in accordance with the Companies Act. Provided that:
 - a. (a) a parliamentary broadcast content licence may only be awarded to the Speaker of the House of Representatives; and
 - b. (b) licences for community radio services may also be awarded to individuals who are ordinarily resident in Malta.

These amendments enabled the Broadcasting Authority to issue a licence to the Speaker of the House of Representatives for Parliament TV (vide Article 3.2.1 Licences Chapter).

In addition, the Authority also called on the Minister to introduce amendments to the Code on the Correct Use of the Maltese Language and to introduce a new Legal Notice on the importance of hygiene in cookery programmes. Such amendments and introduction of a new legal notice would also require changes to the Fifth Schedule of the Broadcasting Act.

4.2 Broadcasting Case Law 'Smash Communications Limited vs. Broadcasting Authority et'

On February 7, 2012, in 'Smash Communications Limited vs. Broadcasting Authority et', decided by the Civil Court, First Hall, the Court concluded that the present system established in the Broadcasting Act regulating the imposition of administrative sanctions by the Broadcasting Authority was in breach of the principle of natural justice *nemo iudex in causa propria* - no person may be a judge in his/her own cause.

This decision was subsequently appealed by the Broadcasting Authority and its Chief Executive and, on June 24, 2016, the Court of Appeal delivered its judgement. The defendants pleaded that they acted in terms of law - the Broadcasting Act. The appellate court held that according to section 469A(1)(a) of the Code of Organisation and Civil Procedure (which governs judicial review of administrative action), the Civil Court, First Hall, in its ordinary jurisdiction can annul an administrative act if the latter violates the Constitution. However, the competence which the Civil Court enjoys is limited to the Administrative Act, not to the law under which that Act is made.

Thus, if the Administrative Act is made in conformity with the law (as the defendants claimed in these proceedings) and the law does not allow discretion as to how that administrative act has to be exercised, then the Civil Court cannot conclude that the law in terms of which that administrative act has been made is without effect unless it acts in its extraordinary (that is, constitutional) jurisdiction.

This does not imply that when the law allows the exercise of a discretion and the public authority exercises

it in such a way as to breach the Constitution, that act cannot be annulled in terms of section 469A(1)(a) of the said code. This is because a discretion allowed by law may still be exercised in an unconstitutional fashion.

This implies that if the law does not allow any form of choice to the public authority as to how it has to implement the law, it is only the Civil Court, sitting in its constitutional jurisdiction (and, on appeal, the Constitutional Court), which can annul that administrative act declaring the law under which that action was performed as being without effect.

The Court of Appeal further held that the Civil Court, First Hall, has constitutional competence in terms of the Constitution (in addition to its ordinary competence). However, in the instant case, the Civil Court had failed to exercise such extraordinary competence. Further, the plaintiffs, on their part, had not filed their proceedings before the Civil Court sitting in its constitutional competence.

The Court of Appeal then proceeded to examine whether the defendants could have acted differently, that is, whether the charge brought against Smash Communications Limited could have been issued by an organ of the Broadcasting Authority (its chief executive officer) so that the Authority could determine the administrative proceedings.

Section 41 of the Broadcasting Act states that it is the Authority which issues the charge and which decides it. There was no other alternative contemplated in the law apart from the Broadcasting Authority or one of its organs to issue the administrative charge and for the Authority to decide the charge following the observance of the guarantees of a fair and public trial.

According to law, the administrative charge could not have been issued by another body which does not form part of the Authority. Therefore the Civil Court in its ordinary jurisdiction misapplied the law.

The Court of Appeal concluded by confirming the judgement of the court of first instance where the latter declared that the Chief Executive of the Broadcasting Authority was an officer of that Authority but revoked the remaining part of the judgement where the court of first instance found against the defendants.

In essence this judgement meant that the Chief Executive was empowered to continue issuing charges against those broadcasting stations which are deemed to be in breach of broadcasting regulations.

The judgement also allowed the Authority to recover all pending dues in relation to fines imposed on broadcasting stations in previous years.

05

PROGRAMME COMPLAINTS

5.01 *Partit Nazzjonalista vs PBS Ltd (TVM News)***The case:**

A message by the Prime Minister for the New Year broadcast on TVM on the 31st December 2015 and the 1st January 2016.

Submissions:

Partit Nazzjonalista argued that the message was actually propagandistic and partisan in nature both in its format and content, which was not appropriate in a democratic society. It therefore called upon the Authority, asking for an immediate remedy. The Party contended that the legal obligations as spelt out in the Constitution tasked the same Authority with the preservation of impartiality in matters of political or industrial controversy or in matters of current public policy, and for this reason it had to ascertain the fair and equal apportionment of both facilities and airtime.

The Party held that the content of the message constituted a political advert and this was expressly prohibited under Article 1 of the Third Schedule to the Broadcasting Act. The Party added that political advertising was only allowed as part of a scheme of political broadcasts organised by the Authority. In addition, the Party stated that it was not in any way against Government making its policies known through a recorded broadcast, but at the same time it was important for the general public to be exposed to different views. The Party held that in his message the Prime Minister had dealt with issues of political controversy and current public policy over which the said Party had its own views; it was requesting the Authority to establish this fact and once this was confirmed the Party would be granted an effective remedy.

On the other hand the station argued that this was not a Ministerial broadcast and that this case was very similar to a previous case brought before the Authority on the 17th June 2013 in which the Authority had declared

that it could not apply its own guidelines on Ministerial Broadcasts to a prime ministerial broadcast. The station contended that role of the station was to broadcast the message as presented to it and this as long as the said message was not in breach of the law. It further pointed out that it was true that the format was different, but in the end the emphasis was on the content of the message which the station argued was on the same lines as other messages of the past.

Decision:

After referring to previous decisions the Authority decided as follows:

- The format of the broadcast was not in its competence and therefore it could not comment over it.
- The public broadcaster was duty bound to broadcast prime ministerial messages and it is acceptable for the Prime Minister to revisit the work of the government during the past year and to present to the nation future undertakings. This was also the case in other European countries.
- The issues and subjects dealt with in the message under scrutiny have been discussed exhaustively in the media and all the different perspectives have been presented and communicated to the general public.
- The Authority referred to a previous complaint before it regarding a Prime Ministerial broadcast dated 17 June 2013 in which case the complaint by *Partit Nazzjonalista* was not upheld.
- In view of this, the Authority decided that the complaint under discussion was not justified and therefore no remedy was to be awarded to *Partit Nazzjonalista*. In addition the Authority noted that, whereas it had published guidelines with respect to Ministerial broadcasts, the set of guidelines regarding Prime Ministerial Messages were still unavailable, and therefore it was committed to look into this shortcoming.

MALTA JOURNALISM AWARDS

21 March 2016

Broadcasting Authority
Main sponsor of Broadcast Media
of the 26th 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.



5.02 Commissioner for Children (advert)

The Case:

An advert for Junior's Fun and Leisure Centre which featured a father holding his minor son upside down.

Submissions:

In January 2016 the Commissioner pointed out that this part of the advert showed a minor in a dangerous situation, was of no particular significance to the advert, and could have easily been omitted.

Decision:

The Authority decided that although the scene could have been edited without negatively impacting the underlying objective of the advert, the matter was not serious enough to merit its intervention. Nevertheless, the Authority held that the station was to be informed of the concern raised by the Commissioner for Children.

5.03 Alleanza Bidla

The Case:

On 27th January 2016 *Alleanza Bidla* complained that, notwithstanding the fact that it was a fully fledged political party with its own statute and generally recognised as such, it was experiencing unfair and unbalanced treatment by the media.

Submissions:

The Party contended that it was not being afforded the opportunity to convey its political message, which at times was different from that of other political groups. It argued that, whereas the activities of the other parties were continuously being reported, *Alleanza Bidla* was being marginalised. Quoting Article 13 of the Broadcasting Act, the Party requested the Authority to intervene so that the alleged discriminatory approach would cease and *Alleanza Bidla* would be granted its due importance by the media operators.

Decision:

The Authority, whilst acknowledging the generic nature of this complaint, decided in favour of the Party and to draw the attention of the stations to their obligations on impartiality as spelt out in the Constitution. In addition, if the matter would not be resolved it would invite the Party to file another complaint, this time in a more specific form and in line with its procedure regulating complaints.

5.04 Partit Nazzjonalista vs PBS Ltd (Dissett)

The Case:

The edition of the programme *Dissett* aired on the 2nd March 2016 invited as a sole guest Minister Konrad Mizzi and discussed the Panama issue. The complainant contended that the issues dealt with during the programme were of a controversial nature and therefore, apart from the Minister, the programme necessitated the participation of a counterpart.

Submissions:

The Party argued that the edition of *Dissett* under discussion dealt with issues of political controversy and therefore in terms of the law this called for a balanced participation. The Party pointed out that, this notwithstanding, the participation was far from balanced and the fact that *Partit Nazzjonalista* was not represented to air its views and take part in the discussion with the Minister rendered the programme partial.

The Party referred to previous decisions by the Authority, namely *Dissett* (3rd March 2014), TVM News (14th August 2015) and TVAM (16th January 2014) on similar facts and pointed out that the comments and views made by commentators were not in any way representative of the Party's policy and opinion.

On the other hand, the station contended that the complaint seemed to infer that one on one programmes were not admissible. It added that the underlying objective was to grill the Minister on a number of current issues and in terms of Legal Notice 350.14 balance was not mathematical and could be achieved over a series of programmes. The station argued that the views of *Partit Nazzjonalista* were highlighted in the introductory feature, and that any comments or arguments raised by the Minister could be rebutted or clarified as the case may be through a request for a right of reply.

Decision:

The Authority, having consulted previous decisions, held that the complaint was not justified and could not be upheld. The Authority argued that the editorial objective of this edition was to request and extract information from the Minister over the Panama case and the questions were imperative to meet this objective and did not intrinsically constitute impartiality. Nevertheless, it was noted that some of the replies and comments by the Minister were of a controversial nature and necessitated a clarification by *Partit Nazzjonalista*. In view of this, the Authority had to grant a three-minute right of reply to the Party in terms of paragraph 8.15.1 of the Subsidiary

Legislation 350.14, which right of reply had to be aired in the subsequent edition of *Dissett* and read out by the presenter as part of the introduction.

5.05 UHM (Voice of the Workers) vs ONE (News)

The Case:

The News Bulletin dated 7th and 8th March 2016 where a right of reply requested by the Union was not reported in its entirety and the station had omitted parts of the reply deemed important by the Union, arbitrarily.

Submissions:

The Union had requested a right of reply following a report by ONE regarding a non-disclosure agreement presented to a number of Medialink Communications employees. The Union alleged that the station had edited elements of the reply, having significant importance, and in addition it had doctored an interview with Josef Vella rendering it incompatible. The Union claimed that this behaviour was objectionable and unacceptable and was therefore requesting the intervention of the Authority.

On the other hand, the station contended that it did not agree with the Union's allegation and stressed that the report was factual and correct. The station pointed out that the second report the next day was not to be interpreted as a right of reply, but a follow-up to its story. The station argued that it would consider a right of reply if the report was incorrect and not in the case in which some information was missing, and this was the reasoning behind the decision to ignore the request for a right of reply.

Decision:

The Authority, having heard the parties, concluded that this case was of a particular nature, and that there seemed to be an element of confusion between the interpretation of the matter by the Union on the one hand and by the station on the other. In view of this it decided that it was not appropriate to consider the complaint any further. The Authority advised the parties to familiarise themselves with the provisions of the law, in particular with regard to the criteria and characteristics of a right of reply so that in the future such incidents would be avoided.

5.06 Alleanza Bidla vs PBS Ltd (Reporter)

The Case:

Alleanza Bidla was not invited to participate in the edition of the programme dated 14th March 2016 which discussed whether the democratic process required the introduction of a third political party.

Submissions:

The Party argued that, notwithstanding that it was an established and recognised political party with its own political agenda which was different to that of the two main political parties, it was being ignored by the media and thus left out of the political debate. The Party held that the Constitution does not make a distinction between parties and therefore it should have been invited to take part in the programme under discussion. The Party contended that through this complaint it wanted to drive home the right of the same to be considered at par with the other political groups.

On the other hand, the station argued that, contrary to what had been declared by the Party, it was not aware of varying opinions and political arguments. It added that out of two invitations by the producers of *Xarabank*, the Party had declined one. The station contended that it could not accept the argument that *Alleanza Bidla* should be considered on the same level as the other political parties unless an election campaign was underway. The station was of the opinion that a productive discussion on the possibility of a third political group should be conducted and driven by independent speakers.

The producer pointed out that when it comes to invitations and participation in programmes, he was not ready to give in to political pressures and the choice of guests was his prerogative. The producer said that nevertheless there would be other occasions in the future when the party would be called in to participate in discussion programmes and air its position.

Decision:

The Authority decided that the complaint was not justified and the said programme was deemed to be fair and balanced. Nevertheless, it suggested that when the subject permits, stations should do their utmost to present to the general public a wide and varied discussion, taking into account the different viewpoints. The Authority pointed out that this suggestion was not intended to give an automatic right to political parties to participate in programmes.

5.07 *Partit Laburista vs PBS Ltd (Times Talk)*

The Case:

The edition of *Times Talk* aired on the 22nd March 2016 which was meant to discuss the need for a third political party.

Submissions:

The Party argued that this edition of *Times Talk* was meant to discuss the need for a third political party but at times examined other issues of a politically controversial nature which called into question *Partit Laburista* and the Government. Further, the party pointed out particularly the comments by the Hon. Marlene Farrugia, Hermann Schiavone and Carmel Cacopardo, arguing that these were of a controversial nature and critical towards the Party and Government and there was no one from *Partit Laburista* or the Government to rebut and/or put forward their respective views. The Party alleged that this approach constituted an imbalance and therefore it sought a remedy and the intervention of the Authority.

The Party referred to previous decisions of the Authority, in particular to its conclusion in regard to a complaint by *Partit Nazzjonalista* regarding the edition of *Dissett* dated 2nd March 2016 in which the Authority held that some of the replies constituted comments of a political nature to which *Partit Nazzjonalista* had the right to respond. The Party added that in that case it had been afforded a remedy in the form of a right of reply.

On the other hand, the producers argued that in such a discussion the context was vital and that the three participants were in effect key to the discussion on whether there existed a real need for a third party, and they had been invited in their personal capacity.

Decision:

The Authority, having consulted previous decisions, held that in general the complaint was not justified and could not be upheld, save the part featuring the three sound clips and where the views of *Partit Laburista* were not aired. In this regard, the Authority directed that the station is informed that in such a case it had the obligation to see that the views of the main political parties were represented. The Authority further decided that, in view of the fact that a considerable amount of time had elapsed since the complaint was registered, no remedy would be forthcoming.

5.08 *Partit Nazzjonalista vs PBS Ltd (News)*

The Case:

The news bulletin aired on the 11th April 2016 where the station failed to report a declaration on facebook by Dr Alfred Sant MEP for the resignation of Dr Konrad Mizzi in connection with the Panama Papers case.

Submissions:

The Party argued that former Prime Minister Dr Alfred Sant was a person of high political stature and an important Labour Party exponent who had made a serious declaration with regard to Minister Konrad Mizzi which the station was duty bound to report. The Party pointed out that it was curious how the station failed to invoke editorial discretion in defence of its action, and instead stated that it was not its policy to report postings on facebook. The Party stated that the complaint was not about imbalance but on the failure of the station to report and cover such an important declaration about a Government Minister. The Party referred to a number of reports and coverages which were instigated by facebook posts.

The station pointed out that editorial discretion was exclusively in the hands of the Editor and it was an established practice that the station does not report facebook posts of a controversial nature unless there was an extraordinary reason to do so. The station claimed that, except in one particular case, the list of instances presented by *Partit Nazzjonalista* where it had reported facebook posts confirmed that this was true. In addition, the station argued that the Authority was obliged to relay the message that it did not intend to disturb and intervene in issues tied to editorial discretion.

Decision:

The Authority, having considered the submissions of the parties, held that there was no doubt of the importance of the Panama Papers case, the companies in Panama, and their news value. In addition, the Authority pointed out that in principle it was at the discretion of the News Editor to decide on news value; nevertheless this did not mean that it could not pronounce itself if a matter of public interest was not afforded its due importance and coverage. The Authority reiterated that even though the Panama issue was afforded extensive coverage in the media, the fact that a former Prime Minister and a Member of the European Parliament made an important declaration about a Government Minister merited significant importance and therefore coverage. During the hearing

it was explained that the policy adopted by the station with regard to social media posts was not absolute and allowed for exceptions and the fact that the declaration by Dr Alfred Sant was communicated on facebook did not in any way affect its news value.

The Authority decided that the complaint by *Partit Nazzjonalista* was justified and that the national station should have reported the comments by Dr Alfred Sant due to their importance. However, given the circumstances of the case, the Authority did not consider it fitting to award a remedy.

5.09 *Partit Nazzjonalista vs PBS Ltd (News)*

The Case:

The news item aired by TVM on the 13th June 2016 regarding the libel case instituted by PN Member of Parliament Toni Bezzina in relation to a report of an alleged misuse of public employees in works at the PN Club in Żurrieq, where the station reported extensively a press conference by *Partit Laburista* on the matter but failed to report the reaction by *Partit Nazzjonalista*.

Submissions:

The Party argued that, whilst it fully respected and accepted the principle of editorial discretion in determining news value, on the other hand it acknowledged the fact that this principle was not sacrosanct and unquestionable and it had to be exercised within certain parameters. The Party also referred to a past decision by the Authority in relation to a report of a Press Conference by at the time MP Gino Cauchi regarding unfair treatment in which case the Authority had acknowledged the fact that stations are duty bound to report in a fair and just manner in order to adequately reflect all the facts of a case.

The Party pointed out that in the present case if the station felt that the matter was news worthy then it had an obligation to present the viewers with all the facts surrounding the case and not leave out crucial and determining factors. The Party contended that irrespective of editorial discretion, once the station decided to report the issue it had to report it in a fair and just manner and in its entirety.

The station rebutted that there was agreement and no contestation over the application by a station of the principle of editorial discretion, and the Authority could not in any way be expected to interfere and ignore its previous rulings. The station pointed out that if one had to read through the decision of the Court of Magistrates on the matter one would easily conclude

that the report was faithful and fair and that the Court actually found a level of fault in Bezzina's behaviour. It held that in this case as long as the station reported the most important points there should be no problem with the fact that it was selective.

Decision:

The Authority, having taken note of the submissions, referred to regulation 4.5 of the Legal Notice 350.14 Requirements as to Standards and Practice applicable to News Bulletins and Current Affairs Programmes which states that In dealing with major matters of controversy, a broadcaster must ensure that justice is done to a full range of divergent views and perspectives during the period in which the controversy is active. The Authority held that both the submissions and the monitoring reports on the matter clearly reveal that the station had in actual fact presented all the views and perspectives relative to the case. It stated that the said Legal Notice implies that impartiality is not a mathematical balance but the airing of all the diverse and/or opposing viewpoints and in this case this seems to have been respected. The Authority further held that it was satisfied that the report was fair and did not see the need to intervene and interfere with editorial discretion. Therefore it decided that the complaint was unjustified.

5.10 *Partit Nazzjonalista vs PBS Ltd (Public Service Announcements)*

The Case:

The Public Service spots being aired by TVM entitled *Gvern li Jisma'* which the Party alleged to constitute political advertising and were in breach of the Constitutional dispositions and the Broadcasting Act.

Submissions:

On the complaint dated 05/07/2016, the Party argued that although it was legitimate for every Government to promote and inform the public of discussions and meetings, in this case the content of the said spots was evidently political and went beyond being a notice. The Party contended that besides being political in nature, the content dealt with issues of political controversy. It also pointed out that in terms of the Constitution, the Authority was duty bound to maintain due impartiality on matters of political or industrial controversy, and that the Broadcasting Act prohibited the airing of political spots. In this regard the Party was requesting a remedy/equivalent time in spots to present, rebut and counter the arguments featured in the spots issued by the Government.

On the other hand, the station contended that these spots were not produced internally and it did not have any effective control on the content. It argued that the spots had been running for quite some time and the concept of TV spots was even used under the previous Administration. The station pointed out that in this case the Authority was being asked to decide whether or not the content constituted political advertising rendering said spots political in nature. In addition it stated that the same spots were being aired on other stations including NET TV and this fact was a clear demonstration that in actual fact they were not propagandistic in favour of the Government.

Decision:

The Authority, having heard the submissions of the parties and reviewed the relative documentation, held that it had always interpreted widely the provision on political advertising in the Broadcasting Act. In this case it was being requested to provide its own interpretation of what constitutes political advertising and whether the spots under discussion were in breach of the relative disposition. The Authority pointed out that during the submissions reference was made to a previous case involving the spots entitled *Issa Nista* and where the Authority concluded that these constituted political advertising through the inclusion of political comments, and therefore it felt it appropriate to afford the Opposition time to rebut.

Turning back to the case in hand, the Authority stated that similar spots promoting Government activities had been in use for a number of years, and it has never felt the need to intervene due to the fact that they have always been considered as informative in nature, unlike the 2014 case. In view of these arguments and after having reviewed all the themes used in the spots under discussion, the Authority concluded that the spots did not constitute political content, and therefore the complaint was unfounded.

**5.11 Partit Nazzjonalista vs PBS Ltd
(Public Service Announcements)**

The Case:

The transmission of Public Service spots on TVM allegedly aimed at promoting the new gas powered plant in Delimara.

Submissions:

On the complaint dated 24/09/2016, the Party argued that this was a classic case of an issue of political controversy and current public policy being featured in

a TV spot, and the role of the Authority was not that of determining which side was right but to confirm that there were different divergent views on the matter. The Party contended that the script gives one the impression that the said power station was an absolute necessity when this was not the case and was being contested. It added that with the use of the interconnector and the BWSC plant converted to gas power, the needs of the country were fully met and the reduction of tariffs was the result of the use of cheaper electricity through the interconnector and the reduced international price of oil. The Party underlined the fact that, in terms of the Broadcasting Act, political advertising was prohibited unless it formed part of a political broadcast scheme organised by the Authority.

On the other hand, the station rebutted by stating that it had no say in the choice of content and therefore no effective control over it. Nevertheless, the station had a duty and was bound to respect and adhere to the respective laws, and therefore it had to see that the content material was not propagandistic and constituted Government information. The station held that the law prohibited political advertising and according to the station the spot under discussion was not of the type and could not be classified as such. In addition, it was pointed out that NET TV was at the same time airing a spot by Electrogas and by comparison the two spots did not present any criticism to previous Administrations. The station stated that it was not in its realm to check whether a stated fact was correct and truthful, and in a democratic society Government had a right to inform the public. It emphasised the need of a set of guidelines with respect to public service spots.

Decision:

The Authority, after having taken note of the submissions by both parties, decided to uphold the complaint and to award a remedy to *Partit Nazzjonalista* consisting of ten minutes of informative spots to be broadcast on TVM over a period of seven days. The Authority directed that the content of these spots should exclusively be related to the issues treated in the Public Service spots. Said content had to be authorised by the Authority prior to broadcast.

L-UŻU TAL-MALTI FI PROGRAMMI SPORTIVI FUQ IL-MEZZI TAX-XANDIR

2 June 2016

Seminar organised by the Broadcasting Authority and the Għaqda Ġurnalisti Sport on the use of the Maltese Language in Sports Programmes.



06

INTERNATIONAL RELATIONS

6.1 Mediterranean Network of Regulatory Authorities

Following the outcome of the 17th Plenary Assembly of Split, on the 19th May 2016 the Broadcasting Authority organised a working group on the future of the MNRA. Representatives from France, Morocco, Cyprus, Portugal, Gibraltar, Moldova, Croatia and Spain welcomed the invitation. Together with their Maltese counterparts they discussed and drafted the necessary revision of the MNRA statute in order to improve procedures of the Network.

After further discussions during another technical meeting held in Madrid on 1st July 2016 (in which the Broadcasting Authority together with the Conseil Supérieur de l'Audiovisuel (France) again had a leading role) the draft revised MNRA Statute was presented for approval in the 18th Plenary Assembly of the MNRA in Barcelona in November. In this Plenary Assembly, the Chief Executive of the Broadcasting Authority, delivered a presentation highlighting the changes being proposed and called for a financial commitment from all members to ensure a future for the Network. The revised MNRA Charter was adopted unanimously.

Apart from the revision of the MNRA statute, the 18th Plenary Assembly discussed a number of other themes, including the revision of the Audiovisual Media Services Directive (AVMSD), the treatment of the refugee crisis and migration in the media, a study on sexist stereotypes in commercial communications, media and mental health, and the protection of minors through media literacy. The members adopted a Declaration on the treatment of information on the crisis of Mediterranean refugees and migrants.

6.2 Preparation for AVMS Directive under the Maltese EU Presidency

During the latter half of 2016 the Broadcasting Authority started preparing itself for the Maltese Presidency of the Council of the European Union (EU). During the Maltese Presidency, the Broadcasting Authority, represented by its Chief Executive, Dr Joanna Spiteri and by the Deputy Head of Monitoring, Mr Randolph Micallef, together with

Ms Ilaria Flores Martin, Education, Youth, Culture and Sports Attachè at Malta's Permanent Representation to the EU, were entrusted with the crucial task of steering the discussions on a compromise text on the EC's proposal for a revised *Audiovisual Media Service Directive*. As from September 2016, both representatives of the Authority started attending the Audiovisual Working Parties on this file and, together with the Slovak Presidency, drafted a compromise text for a revised *Audiovisual Media Service Directive*. Moreover, in relation to the Maltese Presidency of the Council of the EU, the Broadcasting Authority was also represented in a number of conferences, training sessions, bilateral meetings and technical briefings and has strived to keep up with all the challenges which are synonymous with such a legislative file. This was the preparatory work before Malta took over the EU Presidency and before the start of a number of working parties discussing the AVMS Directive which were to be chaired by Dr Joanna Spiteri.

6.3 European Audiovisual Observatory

During the first half of 2016, the Monitoring Department contributed to a research project conducted by the European Audiovisual Observatory (which is part of the Council of Europe). The main objective was to provide for the mapping and description of the significant practices involved in promoting media literacy amongst the EU-28 Member States. The results of this research were presented on the 15th November 2016 during the Media Literacy Expert Group of the EU Commission in a working paper titled '*Measuring Media Literacy in the EU: Results from the Media Pluralism Monitor 2015*'.

6.4 European Platform of Regulatory Authorities

The Broadcasting Authority participated in both EPRA meetings. The Chairman, Chief Executive, and Head Monitoring attended the meeting in Barcelona in May. The three Working Groups, which were attended by the BA representatives, dealt with times of crisis of media service providers; protection of minors in reality and talent shows; and the impact of big data and data

protection on media regulation.

In October, the Broadcasting Authority, represented by its Chief Executive, Dr Joanna Spiteri, attended the meeting in Yerevan, Armenia. For this meeting Dr Spiteri was invited to deliver a presentation which shed light on the distinction between editorial and commercial content on television in view of the ever-changing realities and challenges for free-to-view television, the proposed revision of the *Audiovisual Media Services Directive*, and the difficulties which regulatory bodies encounter in terms of enforcement and compliance.

6.5 The European Regulators Group for Audiovisual Media Services – ERGA

The European Regulators Group for Audiovisual Media Services brings together heads or high level representatives of national independent regulatory bodies in the field of audiovisual services to advise the Commission on the implementation of the EU's Audiovisual Media Services Directive (AVMSD).

On 3 February 2014, the European Commission adopted a Decision on establishing the ERGA and setting the objectives for the Group:

- to advise and assist the Commission in its work, to ensure a consistent implementation of the AVMSD as well as in any other matters related to audiovisual media services within the Commission's competence
- to facilitate cooperation between the regulatory bodies in the EU as provided for in the directive regulating audiovisual media services
- to allow for an exchange of experience and good practices.

6.6 ERGA Subgroup meeting on Territorial Jurisdiction – 25 January 2016

On the 25th January, Dr Simon Manicolo participated in the last meeting of the ERGA subgroup on Territorial Jurisdiction which was convened to discuss the methodology for the continuation of the works of the subgroup, the schedule for the future steps of the work and to discuss the structure proposed for the final report and the actual draft report. During the subsequent weeks, members of the Subgroup engaged in an exchange of reactions and suggestions in preparation of the final draft which was to be presented during the plenary session of the same year.

6.7 Contact Committee meeting (6 July 2016)

The Contact Committee held on July 6th discussed the implementation of the Directive and the developments in the sector as well as a forum for the exchange of views.

On the 6th of July, the 44th meeting of the Contact Committee of the Audiovisual Media Services Directive was attended by Dr Simon Manicolo and Mr Randolph Micallef. The European Commission presented a proposal for a Directive amending the AVMSD in view of changing market realities, which was followed by a discussion covering mainly the Scope of the Directive, including video-sharing platforms, jurisdiction and related procedures, protection of minors, audiovisual commercial communications, promotion of European works, independence of regulators/ ERGA, and accessibility. In the concluding part of the meeting, the Commission presented a report on ERGA's ongoing and planned activities.

6.8 ERGA subgroup meeting on the future proof European audiovisual regulation (14 October 2016)

On the 14th October 2016 Dr Simon Manicolo participated in the meeting of the ERGA subgroup on the future proof European audiovisual regulation which discussed the work of the Task Force on accessibility and that on protection of minors.

During the discussion on 'Accessibility' the majority of regulatory authorities agreed that it would be very valuable to do a pilot study covering extensive benchmarking and bench leaning initiative. This would be valuable even for those who do not have extensive requirements at the moment. It would serve to convey a political message to set stricter obligations, especially as regards commercial broadcasters and on-demand services. The members agreed that the scope of the pilot study should be feasible so that the subgroup is able to deliver for the Plenary. The study should not cover issues that are outside ERGA competences, such as the obligations of the device manufacturers – in this area the cooperation with other fora should be followed. It was agreed that ERGA would not be able to carry out this kind of study and that the Commission would be best suited to do it. ERGA Secretariat confirmed that it would pass on the message and that there might be a possibility to finance this study in 2018. It was indicated that the way the study could be run would depend on how much money was available.

With regard to protection of minors, the members of this task force reported on the process of contacting their respective stakeholders. Many said that stakeholders did not want to meet them (e.g. Google, Amazon). Some of them were interested in the best practice guide and wanted to contribute but many simply did not reply at all. It can be explained as consultation fatigue, as some respondents explained they had already been contacted on the issue of protection of minors by other consultants.

6.9 ERGA - Plenary Meeting (29 November, 2016)

During its Plenary Meeting in Brussels the Broadcasting Authority was represented by Dr Simon Manicolo, Board Secretary. The group adopted its report on Accessibility and established its Work Programme for 2017 for further exchange of best practices on Audio Visual Media Regulation. Prof. Dr. Madeleine de Cock Buning (The Netherlands) was re-elected as its Chairperson. Mr. Damir Hajduk (Croatia) and Dr. Luboš Kukliš (Slovakia) were both elected as the vice-chairs.

During the meeting the members were informed on the state of play of the AVMSD legislative process and future co-operation between EPRA and ERGA. In addition a report from the ERGA Contact Network which had met earlier in the year was presented together with other reports from ERGA Sub-groups on the Audiovisual Media Services Directive Review, a Future-proof European Audiovisual Regulation, the Digital European Toolkit. Members were also requested to approve amendments to the Rules of Procedure for ERGA.

Important recommendations for 2017 included the following:

i. Accessibility

ERGA recommends further research on the accessibility of audiovisual media services to disabled people. Madeleine de Cock Buning: *"Within the European population, there are approximately 80 million people who are aurally or visually impaired. New converged media offer many new possibilities, but this great potential is not yet fully used. Further research should address both linear and non-linear services from the perspective of audio visually challenged media users"*.

ii. Protection of minors

The protection of minors against harmful content will continue to be an important topic for ERGA. Madeleine de Cock Buning: *"We will publish our report on recent market initiatives in 2017. The first results of our report indicate that there is a growing number of interesting initiatives within the media industry to protect our children, also in the online world, which can inspire the industry to take up measures"*.

Connected to this, the topic of self- and co-regulation is taken up in 2017. Codes of conduct in the protection of minors will obviously play an important role in the future, but also in other fields. Especially in the online environment, we see a growing interest in the benefits of self- and co regulation. In 2017 ERGA will align requirements of excellence for self- and co-regulation arrangements within the EU.

6.10 Launch of ERGA Academia and DET 2.0

In 2017 the ERGA Academia was launched to be able to share knowledge and best practices for inter-vision, internships and twinning projects. The ERGA's Digital European Toolkit (DET), which was launched in 2016 to share best practices between regulators, will be upgraded for more efficient access. Both the digital and offline exchange of good practices and experiences enhances the cooperation within ERGA and can as a consequence contribute to the single digital market.

6.11 The Media Literacy Expert Group

On the 15th of November 2016 the Media Literacy Expert Group, initiated by the European Commission Directorate-General for Communication Networks, Content and Technology, held its bi-annual one-day symposium. This time, the Broadcasting Authority was represented by George Dorian Sultana, a Programme Monitor. Moderated by the Head of the Unit 'Audiovisual and Media Services Policy' within DG Connect, Lorena Boix Alonso, the seminar took place in Brussels and was divided in four sessions. Representatives from the 28 member states attended, from the four candidate countries, representatives from Unesco and the Council of Europe, representatives of media organisations, and representatives from civil society networks.

The main focus of this event was a continuation of what was previously discussed in prior meetings - to increase awareness of the importance of media literacy in today's sociopolitical and digital context, and to understand this relatively new need for people to express themselves via the media, particularly the social media. Ms Boix Alonso, the moderator, emphasised how people are tired of hearing about measures of austerity, economic crises, terrorism etc, and as a reaction to such social facts, they feel the need to express themselves. Digital media seems to be the main tool that people are using to get informed. It was agreed that media literacy is about empowering citizens to be able to exercise democratic choices by using technological tools and above all to use these tools in an informed way. In today's sensitive and radicalised society, media literacy becomes even more important. It is not an easy task. In the past, people used to receive information. Today, thanks to social media and other technological advances, they also participate. People's opinions are part of the information that people receive. Whether the information is reliable or not depends on the level of media literacy.

The first three sessions had a panel of experts in the field of media literacy. The aim of the first panel was to connect the people within the commission

working in the media field. Ways of preventing violent radicalisation and promoting fundamental rights were discussed, whilst the possibility of embedding media literacy in school education and in EU Youth Policy was explored as well. Later on, Janne Elvelid from the European Commission / DG CNECT spoke about Digital Skills and Media Literacy. She was followed by Matteo Zacchetti who gave an update on media projects on film literacy.

The second panel explored how the media industry can work together with the educational sector. Particularly interesting were the interventions made by Claus Hjorth from the Danish Film Institute about the link between the film industry and the education sector to develop and disseminate critical thinking tools (even in pre-school children) and Max Beverton from the private sector, specifically from Sky, who spoke about Sky Academy Programme.

The third panel, through its experts, focused more on the digital revolution that is continuously taking place. In this session, a comprehensive overview of UK citizens' behaviour in digital media was presented but particularly striking were the presentations by Marc Van Der Ham from European Policy Council Google, who spoke about several Google tools and about the role of on-line players on digital literacy and media literacy, and by Thomas Myrup Kristensen who is the Managing Director EU Affairs of Facebook. These two presentations elicited a debate between these two speakers and the audience about whether they consider their respective companies a technological company or a media company.

Finally, the last and fourth session consisted of a presentation of the study 'Mapping and description of the significant practices and actions in the promotion of media literacy in the EU-28 member states, since January 2010, of national or regional coverage', financed by the European Commission, which Malta took part in. Next meeting is for 2017.

07

MEDIA ARCHIVES

During its 55 years of existence the Authority served as a broadcasting regulator. But besides its regulatory obligations, the Authority produced programmes of public interest and imported educational documentaries to be shown on public broadcasting services.

Consequently, the Authority has a film collection in its archives going back to the sixties. There is very little documentation about the content of this collection.

Following a collaborative agreement with M3P Foundation at the end of 2015, during the first three months of this year a detailed inventory of this collection was made. In this collection, the Authority has over 750 reels with over 600,000 feet of 16mm film. Unfortunately most of the film is not in a good state, especially since film deteriorates over time, especially if it is not maintained in a controlled and appropriate temperature. However, about 250,000 footage of film is still in a good state while there are about 120,000 feet of film that can be restored. The restoration and digitization of this film is a specialised and complex operation and in Malta there is no laboratory which can handle such a process.

Amongst the titles of film in this collection one can find both Maltese productions as well as imported ones. The local productions include films about the Carnival of 1968; parts of the original Maltese drama *F'Baħar Wieħed*; an interview with Sir Stanley Matthews, the English footballer who used to live at Marsaxlokk; late

sixties and early seventies films of the Board meetings of the Broadcasting Authority; and parts of films from the Malta Song Festival of 1971. Needless to say, there are also a large number of film reels which have to be viewed through a projector to determine the content of this film as some film may not have been saved in its original box listing its contents.

A press release regarding the above was issued by the Broadcasting Authority, and a news item was carried on the main news bulletin of TVM. While Mr Pierre Cassar, then Chief Executive of the Broadcasting Authority, said that the Authority is committed to preserving its collection for future generations, Dr Toni Sant, President of the M3P Foundation, remarked that the Authority's collaboration and endeavours in this area are very significant, especially in view of the efforts and drive for the preservation of national audiovisual archives held by both public as well as private collections.

After the completion of the 16mm film archive, the next step was that of identifying and cataloguing the other types of recordings, both audio and video, held by the Authority. Besides the 16mm film footage held, the Authority also has 2,200 Beta tapes; 3,500 VHS's; 1,300 DAT audio tapes; and another 1,000 magnetic audio tapes and other recordings, this excluding the latest recorded media of DVD-rams prior to the installation of the Television Capturing and Monitoring System (TVCMS) installed by the Authority in 2014.

08

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 through telephone interviews. For this year, data was collected daily [40 interviewees] for one month during February, July, and October while assessments were published the following month on the Authority’s website.

The stratified weighted sample was based on national demographics. Respondents [aged 12 years and over] were only known to the N.S.O. No personal data is revealed and no respondent can ever be identified.

Respondents were asked which were their most preferred programmes [up to a maximum of three] and which were those stations they had followed the day before for at least 10 minutes [up to a maximum of three stations] and for how long [up to a maximum of three time brackets for both television and radio stations].

The margin of error for each assessment was nearly constant, with that of February being slightly higher. The data was first weighted to represent the required sample demographics and was then further weighted to represent population data.

8.1 Radio Audiences

The assessment tries to establish how many people listen to their radio sets on a daily basis; the average number of hours that people spend listening to radio; at what time of day radio listeners would tune in to radio programmes; and the size of audiences that stations attract during each weekday.

Respondents were given the possibility of identifying three radio stations they had followed the previous day and three different time periods for each station named.

8.1.1 Radio Reach

The first estimation is what is termed as radio audience reach. This gives the number of people who had followed at least one radio station at any time during the day without taking into consideration the amount of time spent listening to that station.

During February 2016, 48.9% stated that they had listened to radio the day before the interview while 50.2% categorically stated that they had not listened to radio the previous day - a total of 189,700 persons, aged 12 or over, followed at least one radio station the previous day. Compared to previous data there was an increase of 4.8% over the equivalent period the previous year (February 2015).

Population, Response Rate, and Margin of Errors

Response	Feb 2016		Jul 2016		Oct 2016	
	n	%	n	%	n	%
Accepted	1,160	50.72%	1,240	35.75%	1,240	37.42%
Refused	74	3.24%	77	2.22%	117	3.53%
Non-Contact Unreachable	340	14.87%	722	20.81%	884	26.67%
Ineligible	706	30.87%	1425	41.08%	1065	32.14%
Contacted Not used	7	0.31%	5	0.14%	8	0.24%
Total	2,287	100%	3,469	100%	3,314	100%
	33		251		406	
	2,320		3,720		3,720	
Population [aged 12 years and over]	387,690		390,680		391,741	
Response Rate	50.72%		35.75%		37.42%	
Margin of error [95% confidence]	±2.87%		±2.66%		±2.69%	

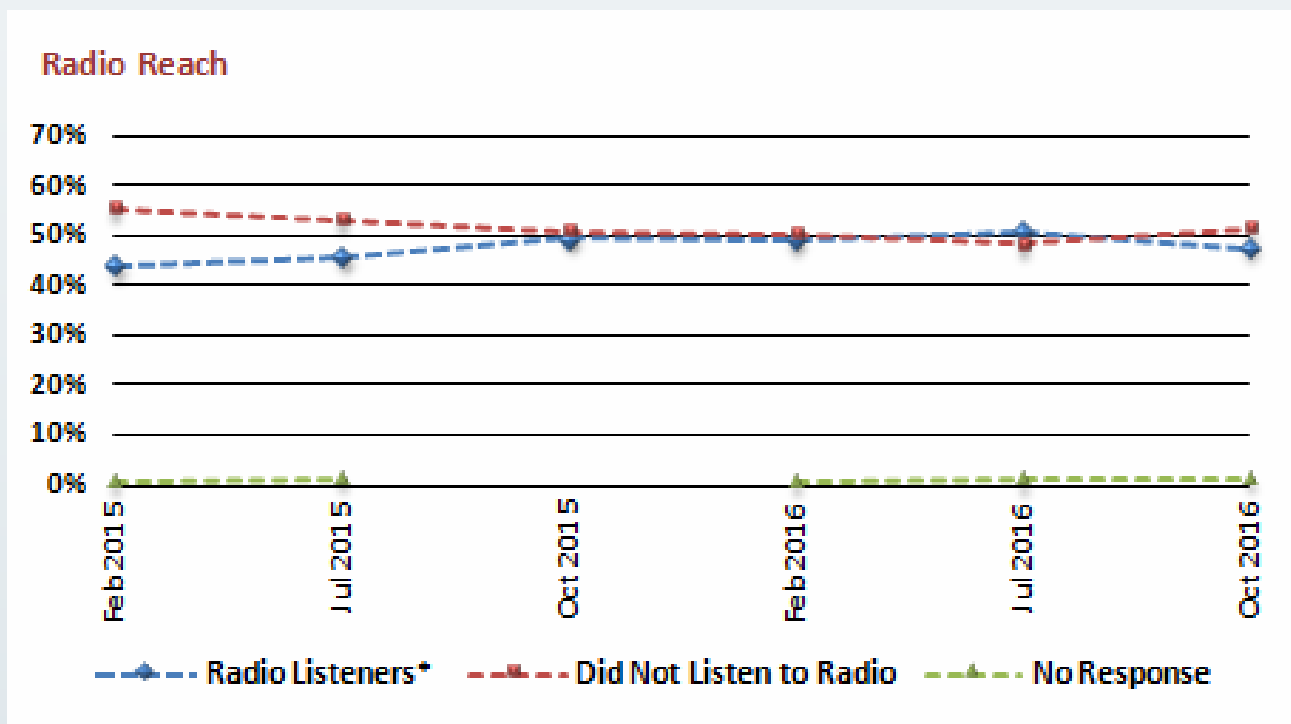
During July 2016, 50.8% stated that they had listened to radio the day before the interview while 48.2% categorically stated that they had not listened to radio the previous day - a total of 198,400 radio listeners aged 12 or over. There was an increase of 5.1% over the equivalent period the previous year (July 2015)

During October 2016, 47.6% stated that they had listened to radio the day before the interview while 51.2% categorically stated that they had not listened to radio the previous day - a total of 186,600 persons, aged 12 or over, radio listeners. There was a decrease of 1.72% over the equivalent period the previous year (October 2015).

Although nearly half of the population listens regularly to radio, the number of radio listeners was highest during the summer months rising by 1.9% from February to July and then falling by 3.2% during October.

Respondents were given the possibility of naming up to three radio stations which they had listened to the day before.

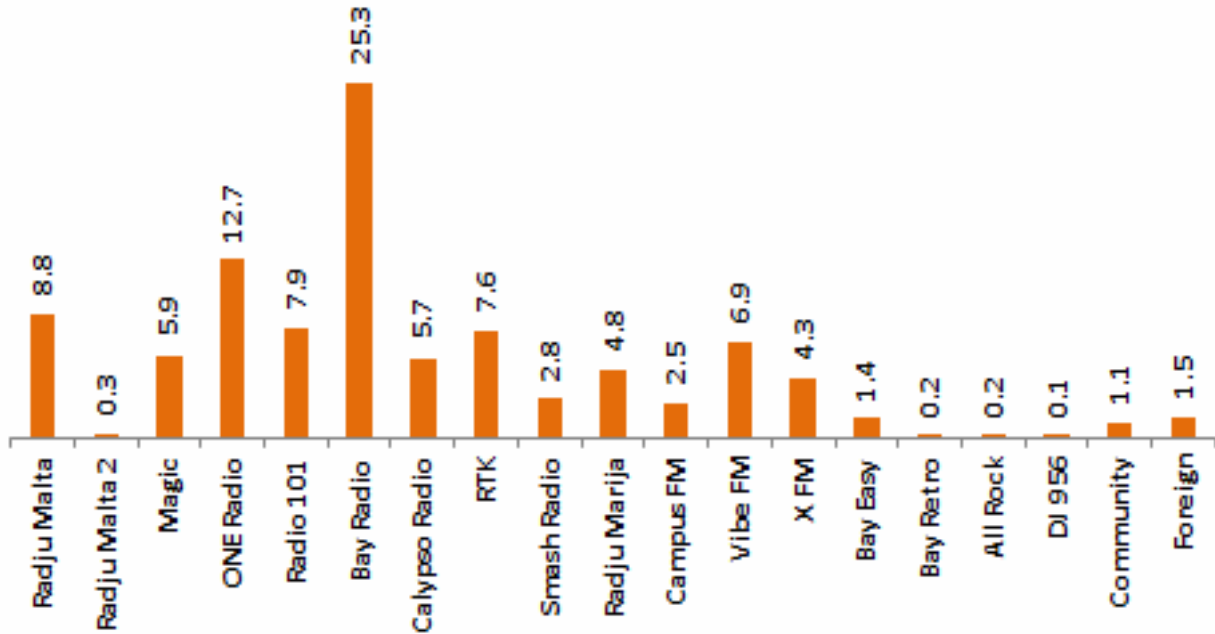
Bay Radio has consistently attracted nearly one-fourth of all radio listeners. This station was invariably followed by *ONE Radio* and *Radju Malta*. *Bay Radio* was the most followed station by all those under fifty. *ONE Radio*, on the other hand, was the most followed station by all those over fifty.



	Feb 2015	Jul 2015	Oct 2015	Feb 2016	Jul 2016	Oct 2016
Radio Listeners *	44.1%	45.7%	49.3%	48.9%	50.8%	47.6%
Radio Listeners [N]	167,400	176,700	191,200	189,700	198,400	186,600
Do not Listen to Radio	55.4%	53.1%	50.7%	50.2%	48.2%	51.2%
No response	0.5%	1.2%	0.0%	0.8%	1.0%	1.2%

*Includes "No Particular Radio Station" and "Did not remember which station was followed"

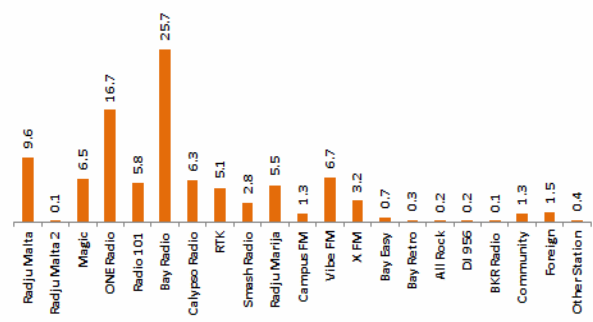
Radio Reach by Station - February 2016 [irrespective of time spent]



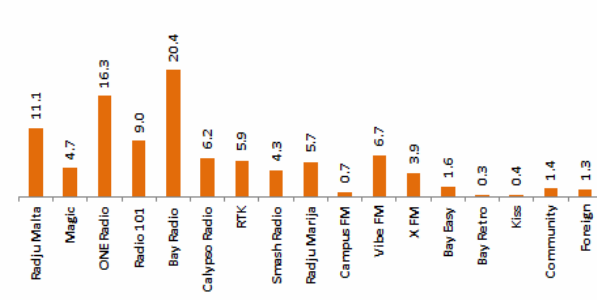
Radio Reach by Station

	Feb 2016		Jul 2016		Oct 2016	
	Ranking	%	Ranking	%	Ranking	%
Radju Malta	[3]	8.8	[3]	9.6	[3]	11.1
Radju Malta 2	[16]	0.3	[20]	0.1		
Magic	[7]	5.9	[5]	6.5	[9]	4.7
ONE Radio	[2]	12.7	[2]	16.7	[2]	16.3
Radio 101	[4]	7.9	[7]	5.8	[4]	9.0
Bay Radio	[1]	25.3	[1]	25.7	[1]	20.4
Calypso Radio	[8]	5.7	[6]	6.3	[6]	6.2
RTK	[5]	7.6	[9]	5.1	[7]	5.9
Smash Radio	[11]	2.8	[11]	2.8	[10]	4.3
Radju Marija	[9]	4.8	[8]	5.5	[8]	5.7
Campus FM	[12]	2.5	[13]	1.3	[15]	0.7
Vibe FM	[6]	6.9	[4]	6.7	[5]	6.7
X FM	[10]	4.3	[10]	3.2	[11]	3.9
Bay Easy	[14]	1.4	[15]	0.7	[12]	1.6
Bay Retro	[17]	0.2	[17]	0.3	[17]	0.3
All Rock	[18]	0.2	[19]	0.2		
DJ 956	[19]	0.1	[18]	0.2		
BKR Radio			[21]	0.1		
Kiss					[16]	0.4
Community	[15]	1.1	[14]	1.3	[13]	1.4
Foreign	[13]	1.5	[12]	1.5	[14]	1.3
Other Station			[16]	0.4		
Total		100		100		100

Radio Reach by Station - July 2016 [irrespective of time spent]



Radio Reach by Station - October 2016 [irrespective of time spent]



Based on Radio Listeners including those who could identify more than one station but excluding all those who could not identify a station and/or could not remember.

8.1.2 Daily Average Hours of Radio Listening

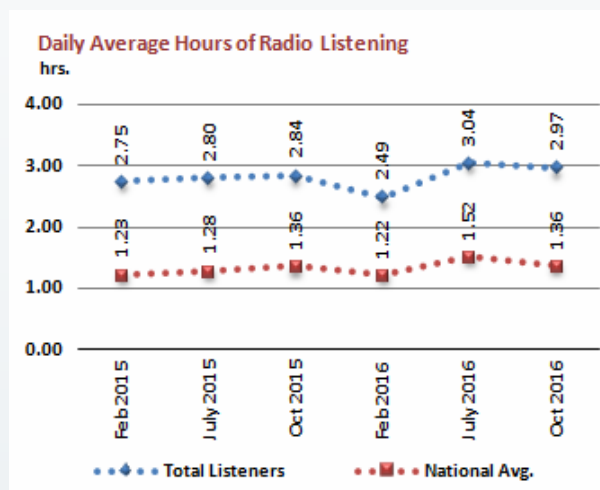
This average gives the amount of time that each radio listener has spent following each radio station. This is derived from the total number of hours that radio consumers listened to, divided by the total number of listeners of each broadcasting station. This average is susceptible to outliers especially where broadcasting stations have registered a small number of listeners who logged on to that particular station for long time-spans.

During this year the average hours spent by radio listeners [2.83hrs] was slightly higher than that registered for the previous year [2.80hrs].

Analysed by broadcasting station, although *Bay Radio* attracted the highest number of radio listeners, the average length of time that its listeners spent following that station was far less than the next two highest followed stations *ONE Radio* and *Radju Malta*.

Calypso Radio had the highest average of hours spent by its listeners following that particular station –

Feb: 4.01hrs; Jul: 4.79hrs; and Oct: 5.23hrs. The second station which was followed most was *ONE Radio* whose audiences spent 3.62hrs, 4.07hrs and 3.71hrs in February, July and October.



Daily Average Hours of Radio Listening by Station

	Radju Malta	Radju Malta 2	Magic	One Radio	Radio 101	Bay Radio	Calypso Radio	RTK	Smash radio	Radju Marija	Campus FM	Vibe FM	X FM	Bay Easy	Bay Retro	All Rock	DJ 956	BKR Radio	Kiss	Community	Foreign	Other Station	Total Average	National Avg.
Feb	2.43	0.80	2.31	3.62	2.56	1.67	4.01	2.63	1.87	3.73	1.63	1.59	2.19	5.17	1.00	0.50	0.50			1.93	3.50		2.49	1.22
Jul	2.63	1.50	2.85	4.07	2.73	2.47	4.79	3.29	3.81	3.32	3.20	2.51	1.16	1.56	1.75	1.00	1.25	1.00		3.50	3.19	2.24	3.04	1.52
Oct	3.84		2.31	3.71	3.70	1.51	5.23	3.42	4.52	2.42	2.81	2.19	1.08	2.12	4.00					1.67	2.67	2.28	2.97	1.36

8.1.3 Peak Radio Audiences by Station

Another indication of a radio station’s popularity is its highest audience obtained at any particular half-hour slot of each weekday.

During February, *Bay Radio* had its highest peak of all audiences by station on Saturdays with 6.507% and had the highest peak amongst all the stations for the rest of the weekdays except for Tuesdays and Thursdays. *ONE Radio* had the next highest peak of 5.645% on Tuesdays and also had the highest peak amongst all stations on Thursdays with 4.649%.

During July, *Bay Radio* had its highest peak amongst all stations on Wednesdays with 8.472% while it also had the highest peak amongst all stations on Thursdays (6.565%). *ONE Radio* had the second highest peak on any weekday on.

Tuesdays with 6.454% but also had the highest peak amongst all stations on Saturdays (6.142%, on Sundays (4.612%) and on Mondays (4.397%). *Calypso Radio* had the highest peak amongst all stations on Fridays with 4.393%.

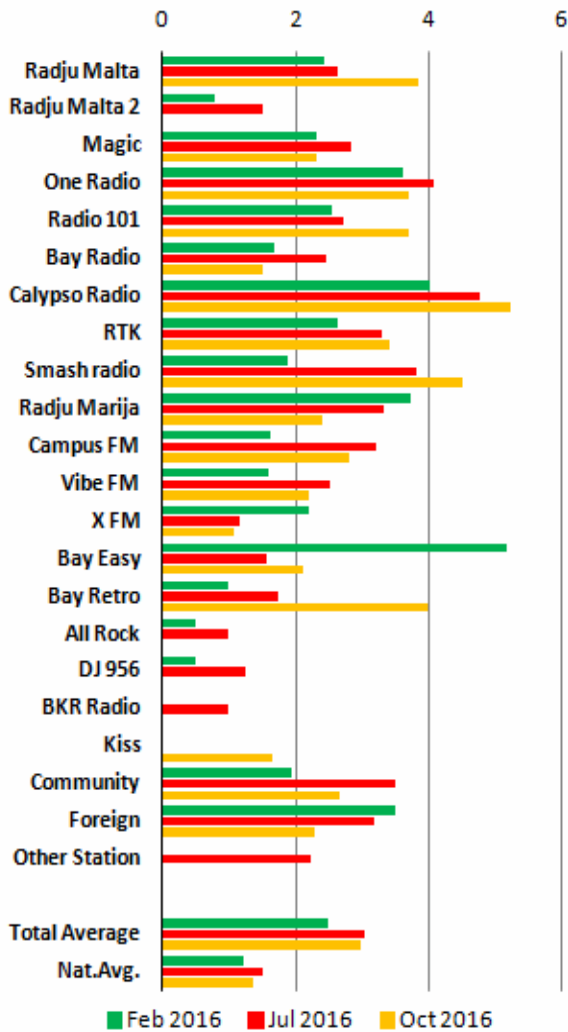
During October, *Bay Radio* had its highest peak amongst all stations on Thursdays with 8.472% while it also had the highest peak amongst all stations on Mondays (4.491%), Wednesdays (3.913%), and Saturdays (3.275%). *Radju Malta* had the second highest peak of 5.667% on Fridays and also had the highest peak amongst all stations on Tuesdays (3.925%). *ONE Radio* had the third highest peak amongst all stations on Sundays (5.065%) but its highest peak was on Fridays (5.142%).

8.1.4 Radio Audience Shares

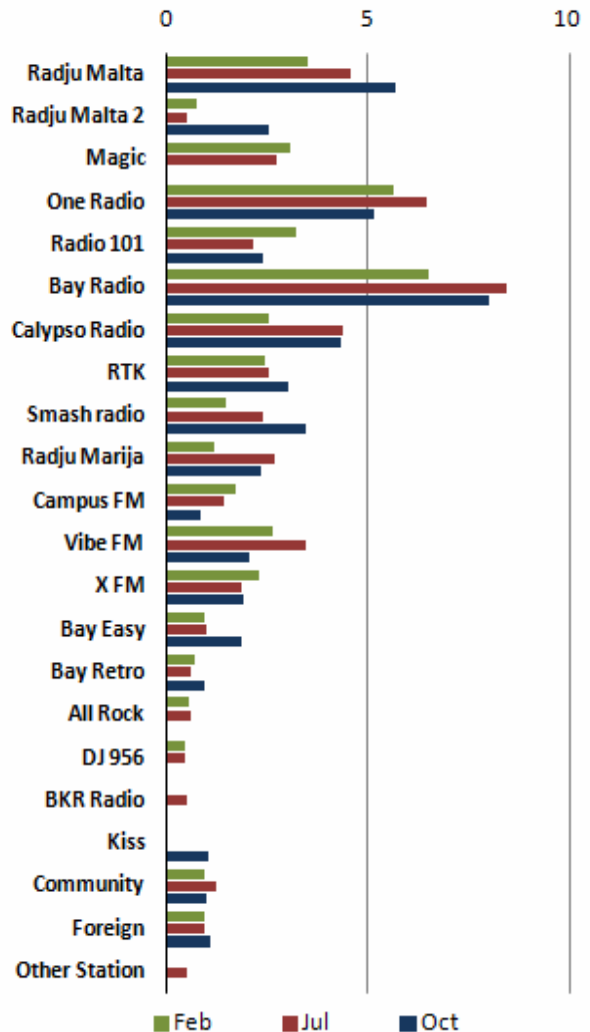
Radio audience shares measure the overall distribution of listeners amongst the broadcasting stations. This takes into consideration the number of listeners of each radio station and the amount of time spent listening to each particular station.

During February, *ONE Radio* ranked first with 18.41% of all audiences, followed by *Bay Radio* [17.05%]; *Calypso Radio* [9.19%]; *Radju Malta* [8.62%]; *Radio 101* [8.15%];

Daily Average Hours of Radio Listening by Station



Highest Peak by Radio Station

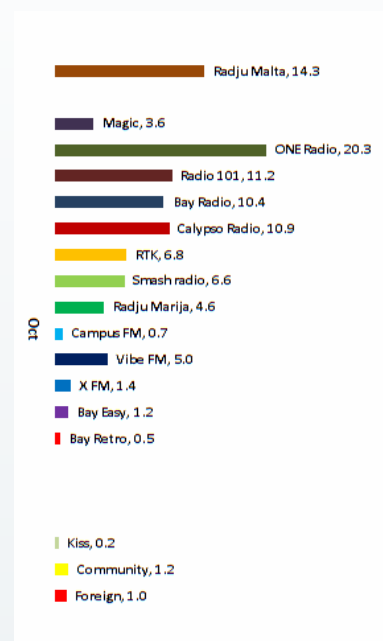
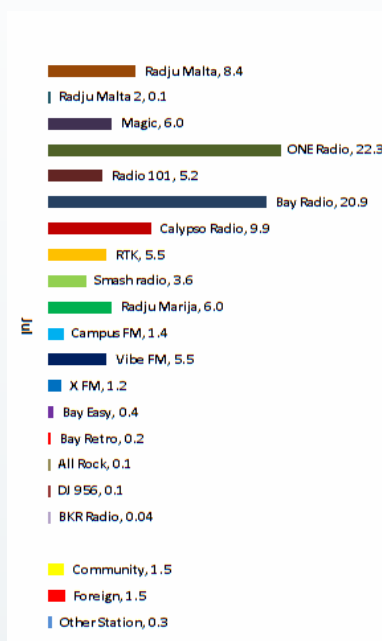
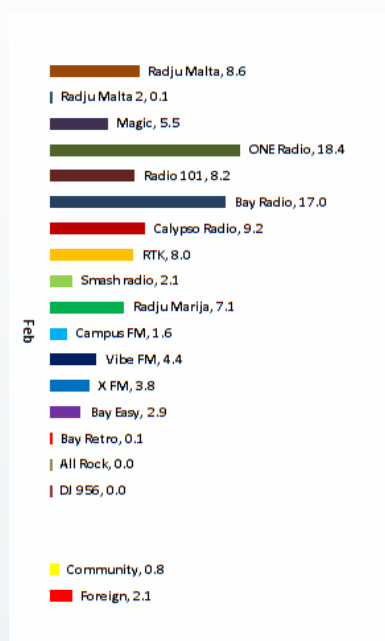


Highest Peak by Radio Station

	Radju Malta	Radju Malta 2	Magic	One Radio	Radio 101	Bay Radio	Calypso Radio	RTK	Smash radio	Radju Marija	Campus FM	Vibe FM	X FM	Bay Easy	Bay Retro	All Rock	DJ 956	BKR Radio	Kiss	Community	Foreign	Other Station
Feb	3.48	0.73	3.06	5.64	3.20	6.51	2.51	2.44	1.48	1.15	1.72	2.60	2.30	0.92	0.71	0.54	0.46				0.91	0.94
Jul	4.56	0.48	2.71	6.45	2.16	8.43	4.39	2.53	2.40	2.69	1.43	3.47	1.84	0.99	0.58	0.61	0.42	0.50		1.23	0.92	0.48
Oct	5.67	2.51		5.14	2.38	8.01	4.34	3.02	3.45	2.35	0.83	2.03	1.90	1.86	0.95					1.01	1.00	1.08

Radio Audience Share by Station

	Radju Malta	Radju Malta 2	Magic	One Radio	Radio 101	Bay Radio	Calypso Radio	RTK	Smash radio	Radju Marija	Campus FM	Vibe FM	X FM	Bay Easy	Bay Retro	All Rock	DJ 956	BKR Radio	Kiss	Community	Foreign	Other Station	Total
Feb	8.6	0.1	5.5	18.4	8.2	17.0	9.2	8.0	2.1	7.1	1.6	4.4	3.8	2.9	0.1	0.0	0.0			0.8	2.1	0.3	100%
Jul	8.4	0.1	6.0	22.3	5.2	20.9	9.9	5.5	3.6	6.0	1.4	5.5	1.2	0.4	0.2	0.1	0.1	0.04		1.5	1.5	0.3	100%
Oct	14.3		3.6	20.3	11.2	10.4	10.9	6.8	6.6	4.6	0.7	5.0	1.4	1.2	0.5				0.2	1.2	1.0		100%



RTK [7.99%]; Radju Marija [7.10%]; Magic [5.50%]; Vibe FM [4.42%]; XFM [3.77%]; Bay Easy [2.92%]; Smash Radio [2.75%]; and Campus FM [1.61%].

During July, ONE Radio ranked first with 22.30% of all audiences, followed by Bay Radio [20.92%]; Calypso Radio [9.87%]; Radju Malta [8.35%]; Magic Radio [6.04%]; Radju Marija [5.99%]; Vibe FM [5.54%]; RTK [5.53%]; and Radio 101 [5.18%].

During October, ONE Radio ranked first with 20.29% of all audiences, followed by Radju Malta [14.34%]; Radio 101 [11.24%]; Calypso Radio [10.94%]; Bay Radio [10.40%]; RTK [6.77%]; Smash Radio [6.60%]; Vibe FM [4.97%]; Radju Marija [4.62%]; Magic Radio [3.61%]; X FM [1.43%]; and Community Radio Stations [1.24%].

8.2 Television Audiences

Respondents were asked which television stations they had followed for at least 10 minutes and for how long. Respondents were given the possibility of identifying three television stations that they had followed the previous day and three different time periods for each station.

8.2.1 TV Reach

Similar to radio, the first estimation is television audience reach; i.e. the number of people who had followed at least one TV station at times during the day without taking into

consideration the amount of time which they had spent following that station.

During February 2016, 62.2% stated that they had watched television the day before the interview. This means that the same level of audiences was maintained since the start of this broadcasting season in October 2015; on the other hand there was a decrease of 2.7% over the same period the previous year. This means that a total of 242,000 persons aged 12 or over, followed at least one TV station. On the other hand 6 respondents [~2,388; 0.6%] replied that they do not have a TV set.

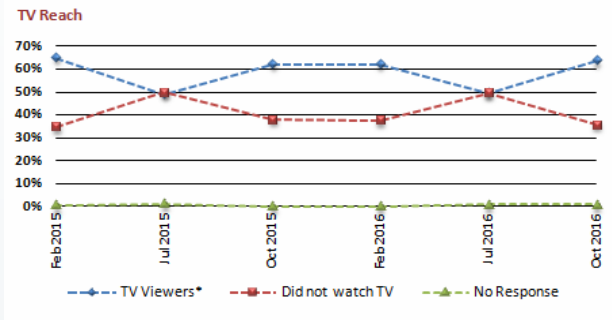
During July 2016, 49.7% stated that they had watched television the day before the interview while the same percentage of respondents categorically stated that they did not. The percentage of television viewers was slightly higher [by 0.6%] than that registered for the same period the previous year [49.1%]. As much as 0.7% of the respondents [~2,680] did not reply while another 0.5% of the population [~1,800] stated that they do not have a TV-set (included with those who stated that they did not watch TV). This means that a total of 194,000 persons aged 12 or over, followed at least one TV station.

During October 2016, 63.6% of respondents stated that they had watched television the day before the interview. This was 13.9% higher than that registered

TV Reach

	Feb 2015	Jul 2015	Oct 2015	Feb 2016	Jul 2016	Oct 2016
TV Viewers*	64.9%	49.1%	62.2%	62.2%	49.7%	63.6%
TV Viewers [N]	247,000	190,000	241,000	242,000	194,000	249,000
Do not watch TV	34.9%	49.9%	37.8%	37.7%	49.7%	35.7%
No response	0.3%	1.0%	0.0%	0.1%	0.7%	0.7%

*Includes "No Particular TV Station" and "Did not remember which station was followed"



during the previous assessment of July 2016 [49.7%] and was 1.4% higher than that registered for the same period the previous year [Oct 2015: 62.2%]. While 35.7% of respondents categorically stated that they did not watch TV, as much as 0.7% of the respondents [~2,800] did not reply; while another 0.5% of the population [~1,800] stated that they do not have a TV-set. This means that a total of 249,000 persons aged 12 or over, followed at least one TV station during this month.

TV Reach by Station

	Feb 2016		Jul 2016		Oct 2016	
	Ranking	%	Ranking	%	Ranking	%
TVM	[1]	39.1	[1]	36.6	[1]	33.5
ONE	[2]	14.2	[2]	18.1	[2]	18.9
Net	[3]	10.7	[5]	8.1	[5]	9.7
Smash	[12]	0.3	[11]	0.4	[13]	0.3
TVM 2	[8]	2.0	[9]	1.3	[7]	2.6
iTV	[11]	0.4	[12]	0.4	[12]	0.3
f Living	[10]	1.2	[10]	1.0	[10]	0.5
Xejk	[13]	0.3	[13]	0.2	[15]	
Yes Lifestyle	[16]		[15]		[14]	0.1
Parliament	[14]	0.2	[16]		[16]	
Local Total		68.5		66.2		66.0
RAI ¹	[6]	6.6	[6]	5.5	[6]	4.2
Mediaset ²	[4]	10.5	[4]	10.9	[3]	13.4
BBC ³	[9]	1.7	[8]	2.1	[9]	1.7
Disc. Chls. ⁴	[7]	3.0	[7]	3.1	[8]	2.4
MTV	[15]	0.2	[14]	0.1	[11]	0.5
Other	[5]	9.6	[3]	12.2	[4]	11.9
Foreign Total		31.5		33.8		34.0
Total		100%		100%		100%

Based on TV viewers including those who could identify more than one station but excluding all those who could not identify a station and/or could not remember.

Includes:

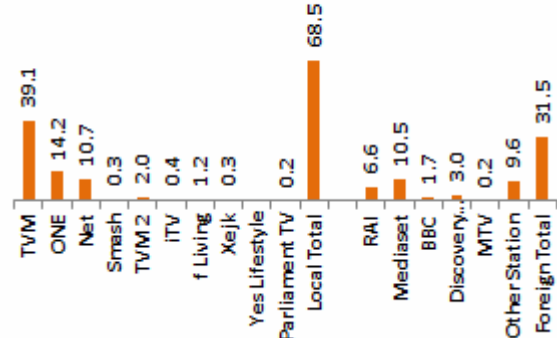
- [1] RAI: Rai 1 / Rai 2 / Rai 3 / Rai News 24 / Rai Scuola / Rai Storia
- [2] Mediaset: Rete 4 / Canale 5 / Italia 1 / Italia 2 / Iris / Mediaset Italia / Mediaset Extra / La5 / Mediaset TGCom24
- [3] BBC: BBC 1 / BBC 2 / BBC 3 / BBC 4 / BBC News / BBC Prime / BBC World News / BBC Kids / BBC Entertainment
- [4] Discovery Channels: Discovery Channel / Discovery Family7 / Discovery Science / Discovery Kids / TLC / Animal Planet

Nearly two-thirds of all the population watches television regularly. Although it is expected that TV viewing is highest at the start of the broadcasting season, results have shown that audiences increase during the second quarter of each broadcasting season [January to March].

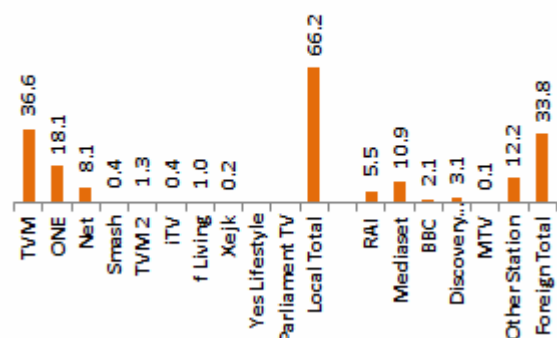
Television audiences drop by not more than 10% during the summer months.

During the year TVM attracted the largest numbers of television viewers – an average of 36.4% over the whole period or more than a third of the population. This station was followed by ONE with an average of 17.1% and Net TV with an average of 9.5% for all the three assessments.

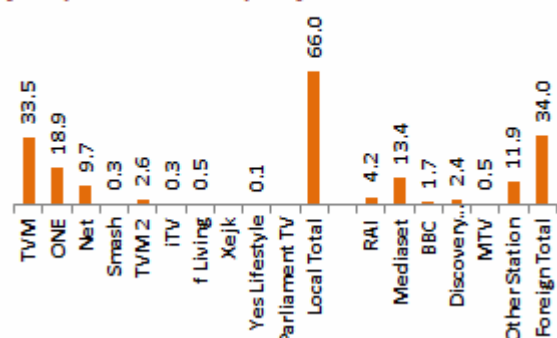
TV Reach by Station - February 2016
[irrespective of time spent]



TV Reach by Station - July 2016
[irrespective of time spent]



TV Reach by Station October 2016
[irrespective of time spent]



Daily Average Hours of TV viewing by Station

	TVM	ONE	Net	Smash	TVM 2	iTV	f Living	Xejk	Parliament TV	RAI*	Mediaset*	BBC*	Discovery Channels	MTV	Other Station	Total Average	National Avg.
Feb	1.71	2.18	1.48	1.26	2.02	1.56	2.00	1.47	1.74	1.87	2.17		2.12	1.36	2.01	1.83	1.23
Jul	1.52	2.03	1.48	2.50	1.33	1.67	2.45	1.00		2.76	2.07		1.62	2.00	2.07	1.80	0.97
Oct	1.71	2.03	2.27	3.39	1.81	1.94	2.17	1.52		1.86	2.20	1.87	2.19	0.90	2.15	1.97	1.35

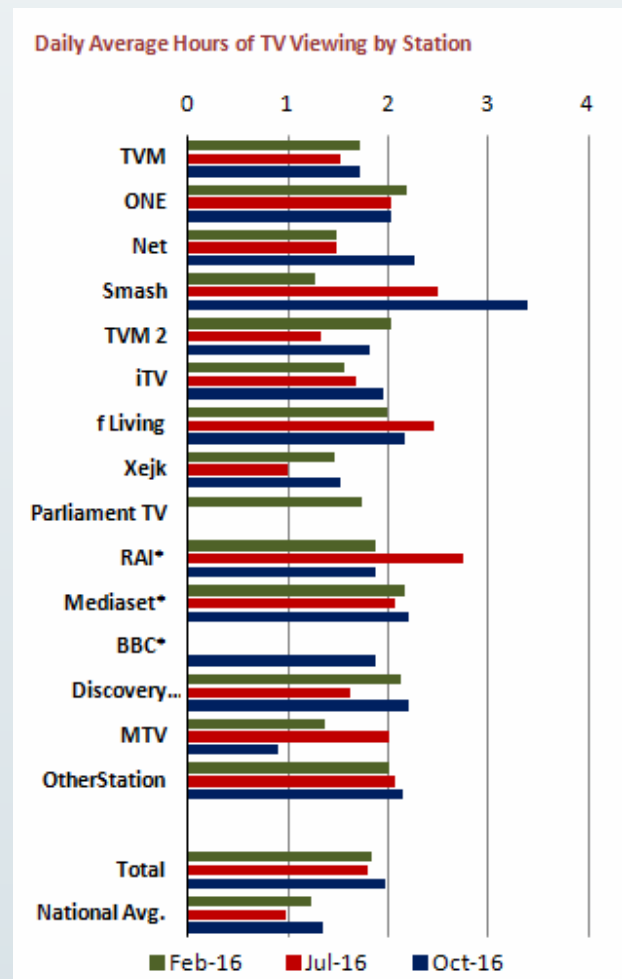
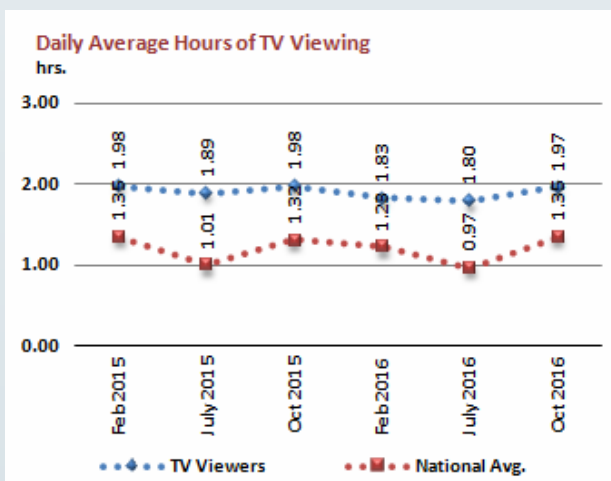
Overall, while 66.9% of viewers watched local stations, only just less than a third of the population (33.1%) watched a foreign station. The most watched foreign stations were Mediaset Channels with an average of 11.6%, followed by RAI channels (5.4%) while another 11.2% of the population followed “Other Stations”.

When analysed by demographics, the same trend in ranking follows; however it is evident that the viewing of local stations is higher with those over the age of 50 than with those below who tend to favour more foreign stations than those viewers in other age groups.

While TVM has repeatedly attracted the highest number of viewers, the average time spent by ONE [2.08hrs] and Net TV [1.74hrs] viewers was higher than those of TVM [1.65hrs]. While the difference between the months examined had little fluctuations, the amount of time spent by Net TV viewers increased by 54% for October 2016 over the two previous months of February and July. On the other hand, Smash TV viewers nearly doubled their amount of time spent watching television between February [1.26hrs] and July [2.5hrs; +98%] and increased by a further 36% for October 2016 [3.39hrs].

8.2.2 Daily Average Hours of TV Viewing

This average gives the amount of time that each TV viewer has spent following each station. This is derived from the total number of hours viewers spent following each particular station 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. During the year the average number of hours spent by viewers was 4.4% less than that of the previous year – the average for 2015 was that of 1.95hrs while the average for 2016 was of 1.87hrs per viewer.



Highest Peak by TV Station

	TVM	ONE	Net	Smash	TVM 2	iTV	f Living	Xejk	Parliament TV	Owners' Best	RAI*	Mediaset*	BBC*	Discovery Chis	MTV	Other Station
Feb	23.38	9.60	7.38	0.41	1.94	0.51	1.32	0.72	0.42		2.24	4.63		1.81	0.53	5.59
Jul	15.57	11.86	3.56	0.58	1.81	0.64	0.66	0.39		0.36	2.64	3.26		1.96	0.46	5.51
Oct	18.70	11.12	6.45	0.67	3.27	0.48	0.63				2.63	6.20	2.02	1.78	0.59	5.47

8.2.3 Peak TV Audiences by Station

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

During February *TVM* had the highest peaks amongst all stations for all the weekdays from Monday to Sunday. The highest peaks attained by *TVM* were in this ranking order: Tuesdays [23.38%] – Wednesdays [23.28%] – Mondays [20.56%] – Fridays [19.94%] – Thursdays [17.32%] – Saturdays [13.57%] – Sundays [10.445%]. The highest peak attained by *ONE* was on Mondays with 9.60% followed by that of *Net TV* on the same weekday [Mondays] with 7.38%. The next highest peak was that of *Mediaset* on Saturdays with 4.63% [excluding "Other Stations" which peaked to 5.59% on Tuesdays].

During July, *TVM* had the highest peaks amongst all stations for all the weekdays from Monday to Sunday. The highest peaks attained by *TVM* were in this ranking order: Thursdays [15.57%] – Mondays [15.24%] - Tuesdays [14.73%] – Fridays [12.25%] - Wednesdays [11.31%] – Sundays [10.01%] – Saturdays [8.74%]. The highest peak

attained by *ONE* was on Tuesdays with 11.86% followed by that of *Net TV* on the same weekday [Tuesdays] with 3.56%. The next highest peak was that of *Mediaset* on Saturdays with 3.26% [excluding "Other Stations" which peaked to 5.51% on Mondays].

For October, *TVM* had the highest peaks amongst all stations for all the weekdays from Monday to Sunday. The highest peaks attained by *TVM* were in this ranking order: Mondays [18.70%] – Tuesdays [17.036%] – Thursdays [16.54%] – Sundays [15.22%] – Wednesdays [13.53%] – Fridays [12.57%] – Saturdays [11.63%]. The highest peak attained by *ONE* was on Thursdays with 11.12% followed by that of *Net TV* on Mondays [6.45%]. The next highest peak was that of *Mediaset* on Sundays with 6.20%.

8.2.4 TV Audience Shares

The TV audience share attained by each broadcasting station is calculated by taking all the viewers for all the weekdays multiplied by the time each spent watching their favourite programme.

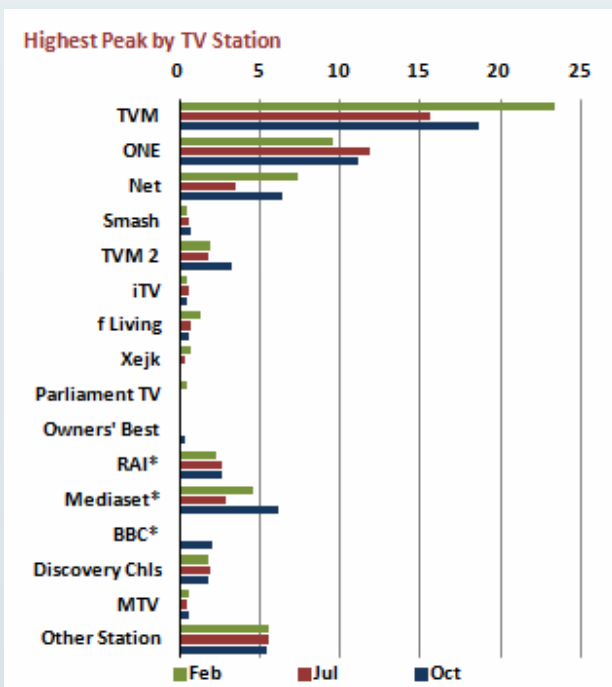
In February *TVM* ranked first with 34.8% followed by *ONE* with 18.4%, and *Net TV* with 9.8%. Of the foreign stations *Mediaset* ranked first with 10.5%, followed by *RAI* with 6.5%.

Similarly in July, *TVM* ranked first with 29.4% followed by *ONE* with 22.3%, and *Net TV* with 7.4%. Of the foreign stations, *Mediaset* ranked first with 10.5%, followed by *RAI* with 7.5%.

And again in October, *TVM* ranked first with 28.2% followed by *ONE* with 21.0%, and *Net TV* with 11.6%. Of the foreign stations, *Mediaset* stations ranked first with 14.5%, followed by *RAI* with 3.9%.

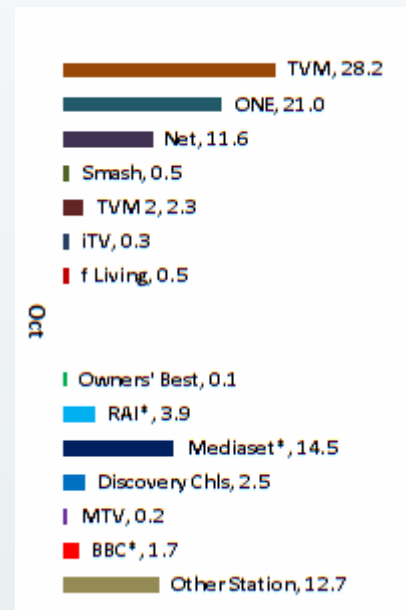
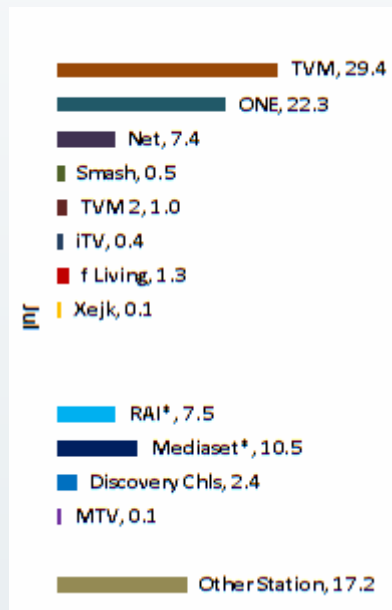
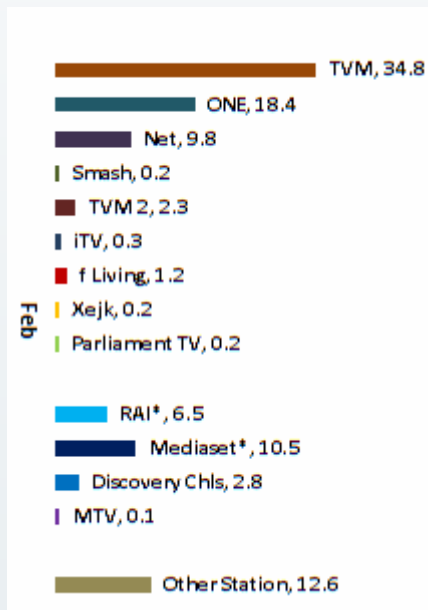
8.2.5 TV Programme Preferences

Respondents were asked to list their three favourite programmes broadcast on local TV stations. The programmes named were classified according to the broadcasting station on which these were broadcast and compared to the broadcasting schedules as provided by each broadcasting station for this assessment period. Naturally, some of the programmes named were broadcast during previous broadcasting schedules; these were checked



Highest Peak by TV Station

	TVM	ONE	Net	Smash	TVM 2	iTV	f Living	Xejk	Parliament TV	Owners' Best	RAI*	Mediaset*	Discovery Chls	MTV	BBC*	Other Station	Total
Feb	34.8	18.4	9.8	0.2	2.3	0.3	1.2	0.2			6.5	10.5	2.8	0.1		12.6	100
Jul	29.4	22.3	7.4	0.5	1.0	0.4	1.3	0.1			7.5	10.5	2.4	0.1		17.2	100
Oct	28.2	21.0	11.6	0.5	2.3	0.3	0.5			0.1	3.9	14.5	2.5	0.2	1.7	12.7	100



for repeated series on the same or other broadcasting station. Some of the programmes named were also either of a generic nature, or broadcast on radio or on the digital/cable network; or could not be properly identified.

Finally, all the programmes named were classified according to the programme genre so that these preferences would indicate which type of programmes local media consumers regularly watch on local TV stations.

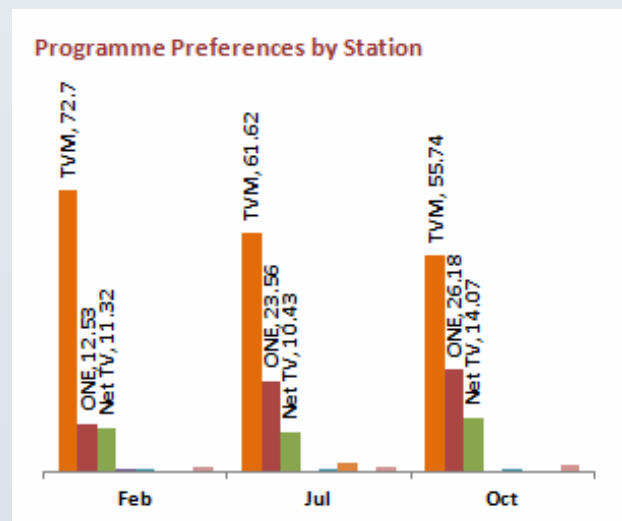
During each assessment period the programmes aired on TVM always were the most favoured by television viewers. These were followed by programmes aired on ONE and by those on Net TV. The preferred programmes of the other stations were less than 5% of total preferences during each period.

In February the most quoted was *Strada Stretta* on TVM [14.23%] followed by *Iċ-Ċaqqufa* [TVM, 13.71%] and *Katrina* [TVM, 12.13%]. Drama programmes were the most favored with 57.96% of all preferences followed by News [12.35%], and Discussion programmes [8.62%]. The top ten programmes most quoted constituted 78.93% of all preferences.

In July the most quoted was News on TVM [10.22%] followed by *Iċ-Ċaqqufa* [TVM, 9.53%] and *Strada Stretta* [TVM,

9.11%]. Drama programmes were the most favoured with 42.38% of all preferences followed by News [17.34%], and Discussion programmes [7.86%]. The top twelve programmes most quoted constituted 72.33% of all preferences.

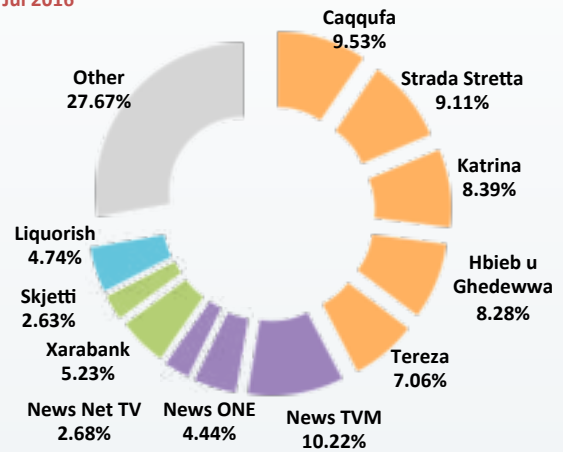
In October the most quoted was *Strada Stretta* on TVM [14.29%] followed by *Hbieb u Ghedewwa* [TVM, 11.84%] and *Tereza* [TVM, 9.77%]. Of the first 13 most



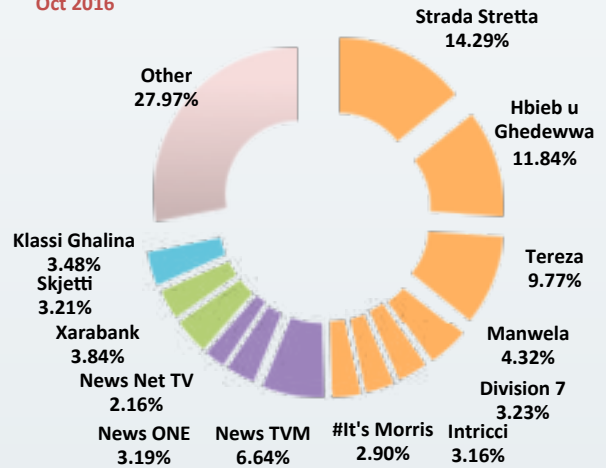
quoted, Drama programmes were the most favored with 49.50% of all preferences; followed by News [12.0%] and Discussion programmes [7.05%]. *News on TVM* ranked fourth with 6.64% of all preferences, *News on ONE* ranked tenth with 3.19%, while *News on Net TV* ranked thirteenth with 2.16%. The top twelve programmes most quoted constituted 72.03% of all preferences.

The top ten named programmes which attained more than 70% of all programmes named were analysed by genre. Time and over again, Drama programmes attained nearly half of all these programmes. These were followed by News bulletins which attained nearly one-sixth of these preferences, Discussion programmes, and Light Entertainment programmes.

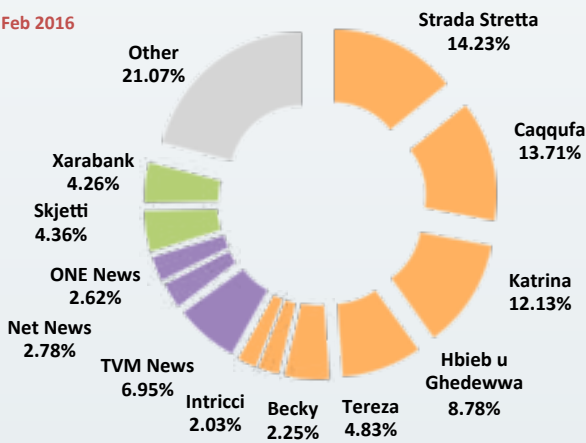
Jul 2016



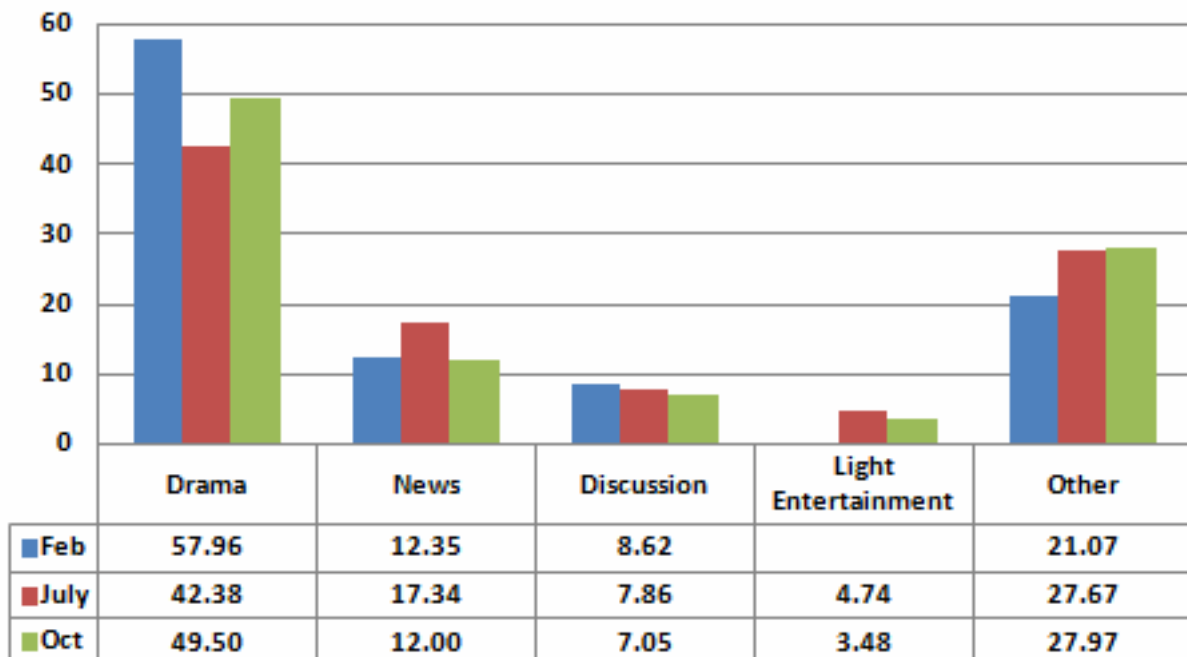
Oct 2016



Feb 2016



Programme Preferences by Genre



M.C.A.S.T. STUDENTS

13 April 2016 - Monitoring Department giving an information session to M.C.A.S.T. students



REVISION OF MNRA STATUTE

19 May 2016



FAREWELL PIERRE CASSAR

7 September 2016



EQUALITY MARK

10 October 2016



Presentation by NCPE's Commissioner, Renee Laiviera (left), of certificate to Dr Simon Manicolo (right), Board Secretary. NCPE Annual Conference 2 May 2017

PINK OCTOBER

24 October 2016



PRODUCT PLACEMENT

7 December 2016





BROADCASTING AUTHORITY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016

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Statement of the Authority's Responsibilities
Auditors' Report
Income and Expenditure Account
Balance Sheet
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Cash Flow Statement
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Schedules

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 at the end of the financial period and of the income and expenditure 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 company will continue in 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 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 57 which comprise the balance sheet as of 31 December 2016, 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 reasonably 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 skepticism 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

15 March 2017

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2016

	Note	2016 €	2015 €
Income	3	1,058,797	1,091,191
Expenditure		<u>(1,044,045)</u>	<u>(1,078,382)</u>
Surplus for the year	4	<u>14,752</u>	<u>12,809</u>

BALANCE SHEET
31 DECEMBER 2016

	Note	2016 €	2015 €
ASSETS			
Non-current Assets			
Property, Plant and equipment	5	<u>2,029,371</u>	<u>1,930,593</u>
Current Assets			
Trade and other receivables	6	281,889	419,451
Cash and bank balances		<u>381,425</u>	<u>380,750</u>
		<u>663,314</u>	<u>800,201</u>
Total Assets		<u><u>2,692,685</u></u>	<u><u>2,730,794</u></u>
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	<u>(396,324)</u>	<u>(411,076)</u>
		2,507,382	2,492,630
Current Liabilities			
Trade and other payables	10	<u>185,303</u>	<u>238,164</u>
Total Capital and Liabilities		<u><u>2,692,685</u></u>	<u><u>2,730,794</u></u>

The financial statements on pages 50 to 57 were approved and authorised for issue by the Board members on 15 March 2017 and signed on its behalf by:



Ms. Tanya Borg Cardona
Chairperson



Dr Joanna Spiteri
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

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.

These are the Authority's first financial statements prepared under GAPSME. The Authority's previous financial statements, for the year ended 31 December 2015, were prepared in accordance with the Accounting Profession (General Accounting Principles for Smaller entities Regulations, 2009 and the Schedule accompanying and forming part of these Regulations (the "GAPSE"). The date of transition to GAPSME is the beginning of the earliest period for which the Authority presents full comparative information in accordance with GAPSME in these financial statements, hence 1 January 2015.

An explanation of how the transition to GAPSME has affected the Authority's reported financial position and financial performance is provided in note 11.

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
Motor vehicles	20
Studio equipment	20
Fixtures, fittings and equipment	10 – 20
Technical equipment	25
Transmitting antenna	4 – 12

Land is not depreciated.

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.

iii. 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.

iv. 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 amortised 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

	2016	2015
	€	€
Government of Malta subventions	583,000	583,000
Licences from broadcasting organisations and application fees	473,581	494,080
Investment income	1,220	2,267
Other income	996	11,844
	<u>1,058,797</u>	<u>1,091,191</u>

4. Surplus for the Year

This is stated after charging the following:

	2016	2015
	€	€
Board members' and board secretary's compensation	101,942	98,008
Wages and salaries	595,422	605,338
Depreciation	78,014	82,431
Audit fees	1,600	1,600

Staff costs incurred during the year are analysed as follows:

	2016	2015
	€	€
Board members' honoraria	65,189	61,759
Board secretary's salary	36,753	36,251
Wages and salaries	551,202	560,560
	653,144	658,570
Social security contributions	44,220	44,776
	<u>697,364</u>	<u>703,346</u>

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

	2016	2015
	No.	No
Board members	5	5
Operations	25	25
	<u>30</u>	<u>30</u>

5. Property, Plant and Equipment

	Fixtures							Total
	Freehold Land	Building & Improvements	Transmitting Antenna	Fittings & Equipment	Technical Equipment	Studio Equipment	Motor Vehicles	
	€	€	€	€	€	€	€	€
At 01 January 2016								
Cost/revalued amount	160,270	1,862,680	704,162	503,810	185,836	192,128	55,250	3,664,136
Accumulated depreciation	-	(374,847)	(524,346)	(411,149)	(182,373)	(192,128)	(48,700)	(1,733,543)
Net book amount	160,270	1,487,833	179,816	92,661	3,463	-	6,550	1,930,593
Year ended 31 December 2016								
Opening net book amount	160,270	1,487,833	179,816	92,661	3,463	-	6,550	1,930,593
Additions	-	-	179,972	9,455	-	-	-	189,427
Disposals	-	-	(70,623)	(20,202)	(38,005)	(30,887)	(19,800)	(179,517)
Depreciation charge	-	(18,627)	(22,403)	(31,495)	(2,899)	-	(2,590)	(78,014)
Depreciation release on disposal	-	-	62,148	20,002	38,005	30,887	15,840	166,882
Closing net book amount	160,270	1,469,206	328,910	70,421	564	-	-	2,029,371
At 31 December 2016								
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

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 (2015: €1,525).

Revaluation reserve

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

	2016	2015
	€	€
As at 1 January	<u>293,699</u>	<u>293,699</u>
As at 31 December	<u>293,699</u>	<u>293,699</u>

Commitments

The Authority has the intention to move to another building from where it operates. This will lead to additional costs to the Authority. However, the Authority has also the intention to rent the premises of Hamrun (current registered office), and hence will generate rental income.

Fully depreciated fixed assets

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

	2016	2015
	€	€
Motor vehicles	35,450	22,500
Fixtures, fittings and equipment	338,384	351,902
Studio equipment	161,242	192,129
Technical equipment	145,910	174,242
Transmitting Antenna	<u>172,689</u>	<u>169,194</u>
	<u>853,675</u>	<u>909,967</u>

6. Trade and other Receivables

	2016	2015
	€	€
Licences receivable	208,120	227,995
Other debtors	8,939	6,658
Prepayments and accrued income	62,473	64,549
Advance payments	<u>2,357</u>	<u>120,249</u>
	<u>281,889</u>	419,451

Licences receivable and other receivables are stated net of a provision for bad debts amounting to €56,776 (2015: €63,613) and €8,091 (2015: €11,893) respectively.

7. Capital Fund and Reserve Fund

These funds have been set up in accordance with Section 26 of the Broadcasting Act, 1991.¹

8. Accumulated Reserve

The accumulated reserve represents net accumulated deficit

9. Trade and Other Payables

	2016	2015
	€	€
Capital creditor	2,494	-
Accruals and deferred income	<u>182,809</u>	<u>238,164</u>
	<u>185,303</u>	<u>238,164</u>

10. Cash and Cash Equivalents

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

	2016	2015
	€	€
Cash at bank and in hand	<u>381,425</u>	380,750

11. First-time adoption of GAPSME

As explained in note 1, the Authority first-time adopted GAPSME in these financial statements. The date of transition to GAPSME is 1 January 2015.

The accounting policies applied by the Authority upon transition to GAPSME were consistent with those applied under GAPSE. As a result, the transition to GAPSME had no effect on the Authority's reported position and financial performance.

SCHEDULES TO THE INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2016

Schedule 1

Income and Expenditure Account Year ended 31 December 2016

	2016 €	2015 €
Income		
Government contributions	583,000	583,000
Application fees	23,225	19,286
Licences	341,575	366,305
Rental fees receivable	48,227	47,935
Master Antenna facilities fees	60,554	60,554
Investment income	1,220	2,267
Other income	996	11,844
	<u>1,058,797</u>	<u>1,091,191</u>
Expenditure		
Administrative (schedule 2)	617,120	625,623
Research and communications (schedule 2)	93,514	103,491
Production (schedule 3)	-	3,337
Monitoring (schedule 3)	296,257	315,194
Technical (schedule 3)	37,154	30,737
	<u>1,044,045</u>	<u>1,078,382</u>

Schedule 2

Administrative, Research and Communications Expenses Year ended 31 December 2016

	2016 €	2015 €
Administrative Expenses		
Members' honoraria	65,189	61,759
Legal and consultancy advisors honoraria	9,225	5,823
Wages & Salaries	282,612	278,719
Staff training	3,096	4,561
Telecommunications	16,692	16,709
Water and electricity	19,505	22,193
Insurance	6,374	5,087
Stationery	6,024	5,366
Subscriptions and publications	2,117	2,350
International organisations membership fees	6,064	2,400
Repairs and maintenance	10,165	21,305
IT maintenance and support	11,556	15,589
Duty visits abroad	29,966	20,065
Transport	12,462	9,498
Cable TV rentals	7,462	5,856
Staff health scheme	21,967	19,983
Sundry expenses	13,173	10,833
Auditors' remuneration	1,600	1,600
Legal and professional fees	11,172	5,415
Depreciation	75,115	79,258
(Decrease)/Increase in provision for bad debts	(10,639)	24,676
Secretarial services	1,048	3,382
Material archiving	5,701	3,196
Loss on disposal of property, plant and equipment	9,474	-
	<u>617,120</u>	<u>625,623</u>

	2016 €	2015 €
Research and Communications Expenses		
Wages and salaries	49,494	47,808
Audience and qualitative research study	19,052	31,805
Seminars and conferences	6,123	7,220
Public relations	9,052	4,483
Advertising	4,599	-
Broadcasters' training and support	2,700	2,400
BA reports and publications	2,494	9,775
	<u>93,514</u>	<u>103,491</u>

Schedule 3**Departmental Expenses Year ended 31 December 2016**

	2016 €	2015 €
Production Department		
TV political broadcasts	<u>-</u>	<u>3,337</u>
Monitoring Department		
Wages and salaries	290,844	309,237
Purchase of audio tapes and DVD's	64	228
Repairs and maintenance	50	13
Depreciation	2,899	3,173
Staff training	2,400	2,543
	<u>296,257</u>	<u>315,194</u>
Technical Department		
Għargħur site running costs	36,773	30,070
Technical assistance	253	-
Sundry expenses	128	667
	<u>37,154</u>	<u>30,737</u>

