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Changes to Australia's Media Ownership Regime Pave Way for Mergers and Acquisitions

The Australian government has secured the long-awaited support it needed from independent Senate cross-benchers to make sweeping changes to Australia's media ownership laws.

The Broadcasting Legislation Amendment (Broadcasting Reform) Bill 2017 amends the Broadcasting Services Act 1992 to abolish the "two out of three rule", prohibiting any individual or company from controlling all three media platforms (i.e. radio, television and newspaper) in any commercial radio licence area.

The other changes include abolishing the "75% reach rule", which prohibits commercial television broadcasting licensees from controlling licences for licence areas covering more than 75 percent of the population, abolishing broadcast licence fees, shortening the sports anti-siphoning list (the anti-siphoning scheme aims to give free-to-air broadcasters the first chance to show major sporting events in priority to subscription television broadcasters) and greater restrictions of gambling advertising during sport.

The media industry has actively lobbied in support of the reform package, but opposition government, in particular, does not support the abolition of the two out of three rule. The reform package still will contain some ownership controls and local content requirements. For example, a single person cannot control more than two radio stations or more than one television station in a single market, and there must be a minimum of four "voices" in regional cities and five in big cities.

The media ownership reforms are by no means a silver bullet for an industry that has been facing disruption for more than a decade, but they will potentially allow companies to have a greater say in their own future via previously disallowed mergers.

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