# [GB] Government Publishes Consultative Proposals on Media Ownership and Concentration

**IRIS 2002-1:1/17**

*Tony Prosser*
*University of Bristol Law School*

The UK Government's White Paper on Communications (see IRIS 2001-1: 8) promised more detailed proposals for reform of the complex rules on media ownership and concentration currently set out in the Broadcasting Acts 1990 and 1996 (a useful summary of the current rules is included as an annex to the new proposals). These have now been issued for consultation; to some extent they remain vague on key issues, but give some idea of the likely direction of change. A draft Bill will be published in 2002 with more detailed proposals.

The Government accepts the need for continued sector-specific rules in addition to ordinary competition law to ensure plurality of ownership, but states that it is committed to a deregulatory approach to media markets. Its key aims are to create the most competitive market possible whilst ensuring plurality of voice and diversity of content, and to create a robust yet adaptable framework, but also to provide as much certainty and predictability as possible.

With these principles in mind, the Paper proposes to remove the current prohibitions on ownership of broadcasting licences by local authorities and advertising agencies whilst keeping prohibitions on ownership by political organisations and ownership by non-EEA individuals and bodies. Views are sought on the question of lifting the remaining prohibitions on ownership by religious organisations.

On concentration, the Government undertakes to remove the prohibition on the single ownership of the two London independent television licences, and to remove the important rule limiting any company's share of the television audience to 15%; instead ownership could be governed by ordinary competition law or by a rule prohibiting ownership of both ITV and Channel 5, thereby retaining at least four broadcasters providing free-to-air analogue television services. The effect of this change will be to permit (subject to general competition law) further consolidation of the ITV licensees into a single company. In the case of digital terrestrial television, controls have been lifted and there are now no effective limits on the ownership of multiplexes or the provision of programme services. For radio, more detailed deregulatory proposals are made, which will only prevent the accumulation of interests in local areas. Options are also discussed for reforming the current special rules for newspaper mergers

© European Audiovisual Observatory (Council of Europe) 2026

under the Fair Trading Act 1973.

The most controversial question of all is that of restrictions on cross-media ownership. Currently this is governed mainly by the "20-20" rule which prohibits the proprietor of national newspapers with a share of 20% of the national market from holding more than a 20% share in an ITV company or Channel 5. The proposals cover a range of options here, from keeping the current rules to ending the restrictions altogether, or developing a "media exchange rate" to incorporate the different influences of different media, or setting new limits on all forms of cross-media ownership, for example that no owner might be allowed to control more than 20% of the audience in any three markets.

Finally, the proposals suggest the new rules might be subject to review every two years by the Office of Communications (OFCOM), the proposed new regulator. Change would require the consent of Parliament, but not new primary legislation.

The proposals will be followed by intense debate, in particular on the position of Rupert Murdoch's News Corporation, which currently has extensive newspaper interests, which in turn prevent a major stake from being taken in national terrestrial television or radio stations.

***"Consultation on Media Ownership Rules", Department for Culture, Media and Sport and Department of Trade and Industry***

http://www.culture.gov.uk/PDF/media_ownership_2001.pdf

© European Audiovisual Observatory (Council of Europe) 2026

© European Audiovisual Observatory (Council of Europe) 2026