

# **Annual Reports to the ACCC pursuant to section 118PN of the Radiocommunications Act**

**Financial Year 2011-2012**

**Digital Radio Joint Venture Companies**

Adelaide, Brisbane, Melbourne, Perth and Sydney

30 August 2012



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# Executive Summary

## Background

This document constitutes the annual report by the digital radio multiplex transmission licensees in Adelaide, Brisbane, Melbourne, Perth and Sydney (**JVCs**) under section 118PN of the *Radiocommunications Act 1992* (Cth) for the 2011-2012 financial year.<sup>1</sup>

Section 118PN of the Radiocommunications Act provides that, if a digital radio access undertaking is in force during the whole or part of a financial year, the JVCs must submit annual reports to the Australian Competition & Consumer Commission (**ACCC**) within 60 days of the end of the financial year, on the following:

- matters specified in the *Digital Radio Multiplex Transmitter Licence Procedural Rules 2008* made by the ACCC under section 118PO of the Radiocommunications Act (**Procedural Rules**); and
- matters that relate to:
  - compliance during that financial year with the access undertaking; or
  - compliance during that financial year with the standard access obligations (if any) applicable to the licence; or
  - compliance during that financial year with the excess-capacity access obligations (if any) applicable to the licence; or
  - compliance during that financial year with the distributed-capacity access obligations (if any) applicable to the licence; or
  - compliance during that financial year with the obligations that are applicable to the licence under section 118NP.

The Procedural Rules require the JVCs to cover the following matters within an annual report:

- compliance during that financial year with the access undertaking;
- compliance during that financial year with standard access obligations (if any) applicable to the licence;
- compliance during that financial year with excess-capacity access obligations (if any) applicable to the licence;
- compliance during that financial year with obligations that are applicable to the licence under section 118NP of the Radiocommunications Act (i.e. the JVC's non-discrimination obligation);

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<sup>1</sup> Further details about the entities that have lodged this annual report are set out in Attachment 1.

- any non-compliance (including reasons) with the above;
- steps taken to rectify non-compliance;
- expected completion dates for matters requiring rectification;
- changes to the membership of the JVCs that have occurred during the financial year; and
- any authorisation of third party users.

This annual report covers the matters identified in section 118PN of the Radiocommunications Act and the Procedural Rules in respect of the 2011-2012 financial year.

## Overview of findings

The 2011-2012 financial year was the third full year in which the JVCs supplied multiplex transmission services to access seekers pursuant to the access undertakings.

Our review has concluded that the JVCs have been compliant with the legislative requirements of the Radiocommunications Act and the terms of the access undertaking and access agreement for the 2011-2012 financial year.

Some of the key highlights of the 2011-2012 financial year included:

- a revised weighted average cost of capital (**WACC**) was applied to access fees from 1 October 2011 which has resulted in the JVCs achieving full compliance with the pricing principles in the access agreement; and
- the JVCs taking steps to further promote the digital radio platform by addressing “black spots” in each BSA radio area through investment in on-channel repeaters.

The JVCs have supplied the multiplex transmission service to content service providers (including digital community broadcasters) in accordance with their legislative and regulatory obligations.

As mentioned in last year’s annual report, following the uptake of multiplex transmission capacity by the digital community broadcasters, the JVCs did not adjust the access fees payable by the digital commercial broadcasters in accordance with the requirements of the pricing principles in the access agreement. This oversight was corrected in October 2011 through a credit note issued to digital commercial broadcasters (i.e. the existing access seekers that were being overcharged).

## Confidentiality

The JVCs do not make any claim of confidentiality in relation to the contents of this Annual Report.

# Annual Report

## 1 Compliance with digital radio access undertaking

### 1.1 Overview

This section sets out the extent to which the JVCs have complied with key aspects of the access undertakings, including the access agreement that forms part of the access undertakings and which has been entered into with access seekers.

We have not sought to cover all aspects of the access undertaking and access agreement as part of our report given there are many aspects of these documents that are non-substantive or which were not operative or relied upon during the 2011-2012 financial year (e.g. the liability and indemnity provisions under the access agreement). Similarly, this report does not consider issues in relation to the access undertaking or access agreement that have been identified in a previous annual report and subsequently rectified.

The areas of the access undertaking and access agreement covered in this section include:

- the JVCs supply obligations in respect of the multiplex transmission service under clause 9 of the access agreement;
- the JVCs obligations in respect of financial security under clause 14 of the access agreement; and
- the JVCs compliance with the pricing principles in Schedule 2 of the access agreement, including:
  - the efficient cost principle for the inclusion of capital expenditure, operating expenditure and overheads into the JVCs cost base under clause 3.3;
  - the determination of the weighted average cost of capital under clause 3.4;
  - the criteria for the calculation of access fees under clauses 4.1 and 4.2;
  - the criteria for adjustments to access fees based on changes to the amount of multiplex capacity being acquired under clause 4.4; and
  - the process for review of the access fees under clause 5.

This section does not explicitly consider the issue of compliance with the standard access obligations, which are covered in sections 2 and 3 below, respectively.

### 1.2 Financial security

The JVCs did not require a financial security from any commercial radio broadcasters or digital community broadcasters in the 2011-2012 financial year.

The JVCs did, however, adjust the financial security arrangements put in place between the JVCs and the CBAA in the previous financial year (as described in the annual report for 2010-2011) to take account of the change in the level of access fees from 1 October 2011 arising from an adjustment to the applicable WACC. This adjustment was necessary to ensure compliance with clause 6 of the Implementation Agreement between the CBAA and the JVCs, which provides for the financial security to be equivalent to 3 months' of access fees based on the two-ninths of multiplex capacity acquired by the digital community broadcasters on each multiplex.

The JVCs did not draw on the financial security given by the CBAA in the 2011-2012 financial year.

### **1.3 Supply obligations**

Clause 9 of the access agreement:

- forbids the JVCs from preventing an access seeker from obtaining access to the multiplex transmission service in accordance with the access agreement;
- prohibits the JVCs from discriminating between access seekers to which it supplies the multiplex transmission service in relation to technical and operational quality of the service itself, and the technical and operational quality and timing of the fault detection, handling and rectification supplied in respect of the service – this requirement implements the non-discrimination requirement in section 118NP of the Radiocommunications Act; and
- requires that the JVCs make the standard access entitlements and excess-capacity access entitlements available to content service providers.

The JVCs are not aware of any non-compliance with clause 9 of the access agreement in the 2011-2012 financial year.

In particular, the JVCs:

- did not prevent any access seeker from receiving the multiplex transmission service during that period;
- supplied the multiplex transmission service on an identical basis to all access seekers from a technical and operational quality perspective during that period; and
- allowed all holders of standard access entitlements and excess-capacity access entitlements to acquire those entitlements pursuant to their respective access agreements.

### **1.4 Efficient cost principle**

Clause 3.1 of Schedule 2 of the access agreement limits the costs that the JVCs can recover from access seekers to those costs that have been efficiently incurred. Clause 3.3 of the access

agreements sets out the criteria to guide whether the various costs elements that comprise the multiplex transmission service (i.e. capital expenditure, operating expenditure and overheads) have been efficiently incurred.

While the JVCs have not engaged experts to express a definitive view on the efficiency of all JVCs costs, the JVCs consider that the costs that have been included within its cost base and which were partially recovered during the 2011-2012 financial year reflect the efficient costs incurred by the JVCs.

The JVCs have identified a number of areas that would benefit from an increase in multiplex transmission signal strength (i.e. coverage “black spots”). The JVCs identified the black spots using a combination of coverage planning tools, field measurements and anecdotal experience. The coverage black spots identified in each BSA radio area include:

- inner city areas where high rise buildings block the propagation of the signal from the main transmitter site; or
- areas of significant population on the fringe of the BSA radio area that do not receive a signal from the main transmitter site but which still fall within the licence boundaries.

On-channel repeaters are a technology that can be used to increase the multiplex transmission signal strength. On-channel repeaters receive the multiplex transmission signal from the main transmitter site, amplify it and then re-transmit it on the same frequency in the black spot area. This boosts the signal level in the surrounding area without the need to adjust the frequency of the receiver. OCRs typically need to be located on rooftops of high rise buildings and tower sites that are close or adjacent to the relevant black spot.

The JVCs have identified 11 sites that are appropriate for the OCR rollout:

- Mt Mee, Brisbane;
- Collaroy, Sydney;
- Newport, Sydney;
- Winmalee, Sydney;
- Badgelly, Sydney;
- Centrepont, Sydney;
- CGA (ex TNT) Redfern Towers, Sydney;
- Bacchus Marsh, Melbourne;
- Fishermens Bend, Melbourne;
- Minderie, Perth; and
- Central Park, Perth.

In the 2011-2012 financial year, the JVCs entered into two contracts for the installation and licensing of space to operate on-channel repeaters. This comprised an agreement between:<sup>2</sup>

- Digital Radio Broadcasting Sydney Pty Ltd and Lawson Square Pty Limited in April 2012 in relation to site access at Lawson Square, Redfern, New South Wales; and
- Digital Radio Broadcasting Melbourne Pty Ltd and JRD Rentals Pty Ltd in May 2012 in relation to site access at 101 Collins Street, Melbourne, Victoria.

The OCR site in the Melbourne CBD is currently operational and ACMA has granted a trial licence for the provision of OCR transmission from this site.<sup>3</sup> The Redfern in Sydney site is not currently operational. As part of the move from testing the OCR in the Melbourne CBD to its implementation on a permanent basis in multiple sites, the JVCs are working through OCR licensing issues with ACMA in relation the Redfern site and the remaining sites that the JVCs plan to bring online in the 2012-2013 financial year.

Clause 3.2 and clause 3.3 of Schedule 2 of the access agreement sets out the specific types and categories of costs that are allowably recoverable under the “Efficient Costs” principle, including:

- capital expenditure;
- operating expenditure; and
- expenditure on corporate overheads.

The JVCs considered that the expenditure under these two contracts to be consistent with the efficient cost principle as required under clause 3.2 and clause 3.3 of Schedule 2 of the access agreement.

The expenditure on OCRs primarily comprises operational expenditure, including leasing costs for site access and recurring charges for electricity to support the provision of OCR services.

The sites that have been selected by the JVCs represent the optimal location for the OCR installation and the arrangements with site owners have been negotiated on an arm’s length basis. Those arrangements include leasing costs, which are based on market rates (or a proxy for market rates) specified by the site owner. Similarly, the electricity costs payable are largely dictated by factors beyond the direct control of the JVCs.

Finally, it is important to note that the OCR rollout is being funded by the auction revenue derived by the JVCs from the auction of excess capacity access entitlements.

Section 109C(2)(c) of the Radiocommunications Act requires the JVCs to set aside the net proceeds of spectrum auctions and to use such net proceeds to, amongst other things, “promote the digital radio broadcasting platform in Australia”. The JVCs consider that use of auction revenue to support the OCR rollout is consistent with the legislative requirement of

<sup>2</sup> Please note that commercial discussions with site owners in relation to the other sites mentioned above are still ongoing and expected to conclude in the 2012-2013 financial year.

<sup>3</sup> See, [http://www.acma.gov.au/scripts/nc.dll?WEB/STANDARD/1001/pc=PC\\_9191](http://www.acma.gov.au/scripts/nc.dll?WEB/STANDARD/1001/pc=PC_9191)



promoting the digital radio platform in Australia, given that the removal of black spots is likely to contribute significantly to promoting the digital platform, including further uptake of digital radio receivers by listeners.

In light of the above, the JVCs are not aware of any non-compliance with the efficient cost principle contained within the pricing principles in the access agreement.

### 1.5 Weighted Average Cost of Capital

During the 2011-2012 financial year, two different post-tax WACC values were used for the purpose of determining access fees:

- from 1 July 2011 to 30 September 2011, the JVCs used a post-tax WACC of 7.5% for the purpose of determining access fees. This percentage was based on the 10 year Commonwealth bond rate of 5.5% plus 2%, as mentioned in previous annual reports; and
- from 1 October 2011 to 30 June 2011, the JVCs used a post-tax WACC of 8.17% for the purpose of determining access fees.

The WACC of 7.5% was intended as an interim measure to reflect the cost of capital that was used by the JVCs and has now been replaced with a revised WACC, which the JVCs have discussed with the ACCC.

The specific parameters used by the JVCs to calculate the revised WACC from 1 October 2011 onwards are summarised below:

Parameter	Value
Gearing	30%
Nominal risk free rate	5.56%
Inflation	2.52%
Real risk free rate	2.97%
Equity beta	0.83
Gamma	0.45
MRP	6.00%
Nominal return on equity (post-tax)	10.53%
Cost of debt	9.49%
Cost of equity	11.5%
Vanilla post-tax WACC	10.22%
Officer post-tax WACC	8.17%

### 1.6 Calculation of access fees

Clause 4.1 of Schedule 2 of the access agreement provides that the JVCs will levy fixed recurring charges based on the amount of multiplex capacity allocated to an access seeker, regardless of whether such capacity is used.

Clause 4.2 establishes a formula for the conversion of the JVCs annualised costs into an annual fixed recurring charge, based on the following formula:

$$\text{AFRC} = \text{AC} \times \text{BMC}/\text{TMC}$$

Where:

**AFRC** is the annual fixed recurring charge.

**AC** is the annualised costs derived under clause 3 of Schedule 2 of the access agreement.

**BMC** is the amount of multiplex capacity allocated to the relevant access seeker.

**TMC** is the total amount of multiplex capacity allocated to all access seekers by the JVC.

The access fees payable by access seekers for the 2011-2012 financial year for standard access entitlements is set out below.

As mentioned in last year's annual report, following the uptake of multiplex transmission capacity by the digital community broadcasters, the JVCs did not adjust the access fees payable by the digital commercial broadcasters for part of the 2011-2012 financial year in accordance with the requirements of the pricing principles in the access agreement. However, this oversight was corrected through a credit note issued to the digital commercial broadcasters in October 2011.

The figures below are the access fees paid by the access seekers for the 2011-2012 financial year after the credit note was issued.

The figures below are exclusive of GST.

BSA Radio Area	Access Seeker	Q1 Access Fee (per 32 Kbps, per quarter)	Q2 Access Fee (per 32 Kbps, per quarter)	Q3 Access Fee (per 32 Kbps, per quarter)	Q4 Access Fee (per 32 Kbps, per quarter)	Total Access Fee paid 2011-2012 financial year (per 32 Kbps)
1. Adelaide	5AD Broadcasting Company Pty Limited	\$4,951	\$ 5,811	\$ 5,811	\$ 5,811	\$22,384
	Austereo Pty Limited	\$4,951	\$ 5,811	\$ 5,811	\$ 5,811	\$22,384
	Festival City Broadcasting Pty Limited	\$4,951	\$ 5,811	\$ 5,811	\$ 5,811	\$22,384
	Nova 91.9 Pty Limited	\$4,951	\$ 5,811	\$ 5,811	\$ 5,811	\$22,384
	Southern State Broadcasters Pty Limited	\$4,951	\$ 5,811	\$ 5,811	\$ 5,811	\$22,384

BSA Radio Area	Access Seeker	Q1 Access Fee (per 32 Kbps, per quarter)	Q2 Access Fee (per 32 Kbps, per quarter)	Q3 Access Fee (per 32 Kbps, per quarter)	Q4 Access Fee (per 32 Kbps, per quarter)	Total Access Fee paid 2011-2012 financial year (per 32 Kbps)
	Triple M Adelaide Pty Limited	\$4,951	\$ 5,811	\$ 5,811	\$ 5,811	\$22,384
	Digital Community Broadcasters	\$4,951	\$ 5,811	\$ 5,811	\$ 5,811	\$22,384
2. Brisbane (Channel 9A and 9B)	ARN Communications Pty Limited	\$3,727	\$4,739	\$4,739	\$4,739	\$17,944
	Brisbane FM Radio Pty Limited	\$3,727	\$4,739	\$4,739	\$4,739	\$17,944
	Broadcasting Station 4IP Pty Limited	\$3,727	\$4,739	\$4,739	\$4,739	\$17,944
	Nova 106.9 Pty Limited	\$3,727	\$4,739	\$4,739	\$4,739	\$17,944
	Radio 4BH Brisbane Pty Limited	\$3,727	\$4,739	\$4,739	\$4,739	\$17,944
	Radio 4BC Brisbane Pty Limited	\$3,727	\$4,739	\$4,739	\$4,739	\$17,944
	Today FM Brisbane Pty Limited	\$3,727	\$4,739	\$4,739	\$4,739	\$17,944
	Triple M Brisbane Pty Limited	\$3,727	\$4,739	\$4,739	\$4,739	\$17,944
	Digital Community Broadcasters	\$3,727	\$4,739	\$4,739	\$4,739	\$17,944
3. Melbourne (Channel 9A and 9B)	3UZ Pty Limited	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371
	ARN Broadcasting Pty Limited	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371
	Austereo Pty Limited	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371
	Double T Radio Pty Limited	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371
	Malbend Pty Limited	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371
	Nova 100 Pty Limited	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371
	Radio 1278 Melbourne Pty Limited	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371
	Radio 3AW Melbourne Pty Limited	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371
	Triple M Melbourne Pty Limited	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371
	Classic Rock 91.5FM Pty Limited	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371
	Victorian Radio Network Pty Limited	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371

<b>BSA Radio Area</b>	<b>Access Seeker</b>	<b>Q1 Access Fee (per 32 Kbps, per quarter)</b>	<b>Q2 Access Fee (per 32 Kbps, per quarter)</b>	<b>Q3 Access Fee (per 32 Kbps, per quarter)</b>	<b>Q4 Access Fee (per 32 Kbps, per quarter)</b>	<b>Total Access Fee paid 2011-2012 financial year (per 32 Kbps)</b>
	Digital Community Broadcasters	\$3,940	\$4,477	\$4,477	\$4,477	\$17,371
4. Perth	Consolidated BC Sys WA	\$5,009	\$5,669	\$5,669	\$5,669	\$22,016
	Perth FM Radio Pty Ltd	\$5,009	\$5,669	\$5,669	\$5,669	\$22,016
	DMG Radio Perth Pty Ltd	\$5,009	\$5,669	\$5,669	\$5,669	\$22,016
	Radio Perth Pty Ltd	\$5,009	\$5,669	\$5,669	\$5,669	\$22,016
	Radio 96FM	\$5,009	\$5,669	\$5,669	\$5,669	\$22,016
	Radio 6PR Perth Pty Ltd	\$5,009	\$5,669	\$5,669	\$5,669	\$22,016
	Digital Community Broadcasters	\$5,009	\$5,669	\$5,669	\$5,669	\$22,016
5. Sydney	2KY Broadcasters Pty Limited	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874
	ARN Communications Pty Limited	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874
	Commonwealth Broadcasting Pty Limited	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874
	Harbour Radio Pty Limited	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874
	Nova 96.9 Pty Limited	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874
	Radio 2CH Pty Limited	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874
	Radio 2SM Pty Limited	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874
	Radio 2UE Sydney Pty Limited	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874
	Today FM Sydney Pty Limited	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874
	Triple M Sydney Pty Limited	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874
	Classic Rock 95.3 FM Pty Limited	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874
	Digital Community Broadcasters	\$3,876	\$4,666	\$4,666	\$4,666	\$17,874

## 1.7 Review of the access fees

Clause 5.2 of Schedule 2 of the access agreement provides that the JVCs may review the access fees to ensure consistency with the Pricing Principles to reflect adjustments relating to:

- actual expenditure incurred by JCV when compared with forecasted or estimated costs;
- changes in cost incurred by JVC; and
- changes in consumer price index.

The access fees payable by access seekers were reviewed in the 2011-2012 financial year pursuant to clause 5.2 of Schedule 2 to take account of the revised WACC. The JVCs complied with the consultation requirements in clause 5.2 of Schedule 2 when implementing this change to the level of access fees.

Accordingly, the JVCs are not aware of any non-compliance with clause 5 of Schedule 2 of the access agreement in the 2011-2012 financial year.

## 2 Compliance with standard access obligations

Section 118NL of the Radiocommunications Act imposes standard access obligations on the JVCs, which in turn require the JVCs to supply multiplex capacity to those content service providers that hold standard access entitlements.

The process for the implementation of standard access entitlements is set out in section 118NQ of the Radiocommunications Act. Clause 6.3 and 6.4 of the access agreement provide the contractual basis for the implementation of these legislative requirements.

A breakdown of the fractions of multiplex capacity that have been allocated to access seekers as standard access entitlements in the 2011-2012 financial year is set out in Attachment 2.

The JVCs have made standard access entitlements available with the incumbent commercial broadcasters pursuant to section 118NQ of the Radiocommunications Act and clause 6.3 of the access agreement.

The Radiocommunications Act also requires that the JVCs reserve two-ninths of multiplex capacity under each digital radio multiplex transmitter licence for digital community broadcasters that are nominated by the digital community radio broadcasting representative company to claim the standard access entitlement.<sup>4</sup>

The JVCs have met this requirement by allocating standard access entitlements to digital community broadcasters in the 2011-2012 financial year pursuant to access agreements with digital community broadcasters nominated by the Representative Company, as executed in the 2010-2011 financial year.

<sup>4</sup> Radiocommunications Act, section 118NR(2). See also, clause 6.4(b) of access agreement.

The JVCs have made available standard access entitlements to all digital community broadcasters that have been nominated by the Representative Company as being eligible to acquire multiplex capacity in the designated BSA radio area.

The JVCs are not aware of any non-compliance with their standard access obligations for the 2011-2012 financial year.

### 3 Compliance with excess-capacity access obligations

#### 3.1 Excess-capacity access obligation

Section 11NM of the Radiocommunications Act imposes excess-capacity access obligations on JVCs, which in turn require the JVCs to supply multiplex capacity to those content service providers that hold excess-capacity access entitlements acquired in accordance with section 118NT of the Radiocommunications Act.

Clause 7 of the access agreement provides the contractual basis for the implementation of the excess-capacity access entitlements.

The JVCs have made excess-capacity access entitlements available to incumbent commercial broadcasters pursuant to section 118NT of the Radiocommunications Act and clause 7 of the access agreement. Further details are available in the 2009-2010 annual report.

No further excess capacity access entitlements were allocated to content service providers in the 2011-2012 financial year.

The JVCs have made available excess-capacity access entitlements to all content service providers that are eligible to acquire the associated multiplex capacity in the designated BSA radio area.

The JVCs are not aware of any non-compliance with their excess capacity access obligations for the 2011-2012 financial year.

### 4 Compliance with non-discrimination obligation

Section 118NP of the Radiocommunications Act prohibits discrimination by the JVCs between content service providers that have access to multiplex capacity in relation to the following:

- the technical and operational quality of the services supplied to the content service providers; and
- the technical and operational quality and timing of the fault detection, handling and rectification supplied to the content service providers.

This obligation is also reflected in clause 9.3 of the access agreement.

The JVCs are not aware of any non-compliance with their non-discrimination requirements. In particular, the JVCs have supplied the multiplex transmission service on an identical basis to all

access seekers from a technical and operational quality perspective, including in respect of fault detection, handling and rectification.

This covers the supply of both standard access entitlements and excess-capacity access entitlements.

## **5 Changes to membership**

There were no changes to the membership of any of the JVCs during the 2011-2012 financial year.

The membership of the JVCs (including the percentage of shareholdings) is set out in Attachment 3.

## **6 Authorisation of third party users**

Section 114(1) of the Radiocommunications Act provides that the JVCs may, by written instrument, authorise a third party to operate radiocommunications devices under the licence.

During the 2011-2012 financial year, the JVCs have not authorised any third parties to operate radiocommunications devices, under this section.

## Attachment 1 – List of JVCs submitting this annual report

This annual report for the 2011-2012 financial year has been submitted by the following entities:

- Digital Radio Broadcasting Adelaide Pty Ltd (ACN 128 742 772) – Foundation Category 1 Digital Radio Multiplex Transmitter Licence Number 1901330
- Digital Radio Broadcasting Brisbane Pty Ltd (ACN 1280742 950) – Foundation Category 1 Digital Radio Multiplex Transmitter Licence Number 1901423 and 1901424
- Digital Radio Broadcasting Melbourne Pty Ltd (ACN 128 742 898) – Foundation Category 1 Digital Radio Multiplex Transmitter Licence Number 1901421 and 1901422
- Digital Radio Broadcasting Perth Pty Ltd (ACN 128 742 638) – Foundation Category 1 Digital Radio Multiplex Transmitter Licence Number 1901331
- Digital Radio Broadcasting Sydney Pty Ltd (ACN 128 742 978) – Foundation Category 1 Digital Radio Multiplex Transmitter Licence Number 1901419 and 1901420.



## Attachment 2 – Standard Access Entitlements for 2011-2012

BSA Radio Area	Access Seeker	Multiplex Capacity (1/9 equivalent to 128 Kbps)
1. Adelaide	Austereo Pty Ltd	1/9
	Triple M Adelaide	1/9
	Nova 91.9 Pty Ltd	1/9
	Festival City BC	1/9
	Southern State BC	1/9
	5AD Broadcasting	1/9
	Digital Community Broadcasters	2/9
	Excess Capacity – all allocated	1/9
	<b>Total Multiplex Capacity</b>	<b>9/9</b>
2. Brisbane (Channel 9A)	Today FM Brisbane (9A)	1/9
	Triple FM Brisbane (9A)	1/9
	Nova 106.9 Pty Limited (9A)	1/9
	ARN Comms Pty Limited (9A)	1/9
	Digital Community Broadcasters	2/9
	Excess Capacity – all allocated	3/9
		<b>Total Multiplex Capacity</b>
3. Brisbane (Channel 9B)	Brisbane FM Radio (9B)	1/9
	Broadcasting Station 4IP (9B)	1/9
	Radio 4BH Brisbane (9B)	1/9
	Radio 4BC Brisbane (9B)	1/9
	Digital Community	2/9

BSA Radio Area	Access Seeker	Multiplex Capacity (1/9 equivalent to 128 Kbps)
	Broadcasters	
	Excess Capacity – all allocated except 1/9	3/9
	<b>Total Multiplex Capacity</b>	9/9
4. Melbourne (Channel 9A)	Triple M Melbourne	1/9
	Austereo Pty Ltd	1/9
	Nova 100 Pty Ltd	1/9
	Vega 91.5 Pty Ltd	1/9
	Double T Radio	1/9
	Digital Community Broadcasters	2/9
	Excess Capacity – all allocated	2/9
	<b>Total Multiplex Capacity</b>	9/9
5. Melbourne (Channel 9B)	ARN BC Aust Pty Ltd	1/9
	3UZ	1/9
	Vic Radio Network	1/9
	Malbend Pty Ltd	1/9
	Radio 3AW Melbourne	1/9
	Radio 1278 Pty Ltd	1/9
	Digital Community Broadcasters	2/9
	Excess Capacity – all allocated	1/9
	<b>Total Multiplex Capacity</b>	9/9
6. Perth	Consolidated BC Sys WA	1/9
	Perth FM Radio Pty Ltd	1/9
	DMG Radio Perth Pty Ltd	1/9

BSA Radio Area	Access Seeker	Multiplex Capacity (1/9 equivalent to 128 Kbps)
	Radio Perth Pty Ltd	1/9
	Radio 96FM	1/9
	Radio 6PR Perth Pty Ltd	1/9
	Digital Community Broadcasters	2/9
	Excess Capacity – all allocated	1/9
	<b>Total Multiplex Capacity</b>	<b>9/9</b>
7. Sydney (Channel 9A)	Today FM Sydney	1/9
	Triple M Sydney	1/9
	Nova 96.9	1/9
	Vega 95.3	1/9
	Commonwealth BC Corp	1/9
	Digital Community Broadcasters	2/9
	Excess Capacity – all allocated	2/9
	<b>Total Multiplex Capacity</b>	<b>9/9</b>
8. Sydney (Channel 9A)	ARN Communications	1/9
	2KY 1017 AM	1/9
	Radio 2SM	1/9
	Radio 2UE	1/9
	Radio 2CH	1/9
	Harbour Radio	1/9
	Digital Community Broadcasters	2/9
	Excess Capacity – all allocated	2/9
	<b>Total Multiplex Capacity</b>	<b>9/9</b>

## Attachment 3 – JVC membership for 2011-2012 financial year<sup>5</sup>

Digital Radio Broadcasting Adelaide Pty Ltd	Number of shares	Shareholding percentage
5AD Broadcasting Company Pty Limited	13,000	16.66%
Austereo Pty Limited	13,000	16.66%
Festival City Broadcasting Pty Limited	13,000	16.66%
Nova 91.9 Pty Limited	13,000	16.66%
Southern State Broadcasters Pty Limited	13,000	16.66%
Triple M Adelaide Pty Limited	13,000	16.66%
<b>Total</b>	<b>78,000</b>	<b>100%</b>

Digital Radio Broadcasting Brisbane Pty Ltd	Number of shares	Shareholding percentage
ARN Communications Pty Limited	10,000	12.50%
Brisbane FM Radio Pty Limited	10,000	12.50%
Broadcasting Station 4IP Pty Limited	10,000	12.50%
Nova 106.9 Pty Limited	10,000	12.50%
Radio 4BH Brisbane Pty Limited	10,000	12.50%
Radio 4BC Brisbane Pty Limited	10,000	12.50%
Today FM Brisbane Pty Limited	10,000	12.50%
Triple M Brisbane Pty Limited	10,000	12.50%
<b>Total</b>	<b>80,000</b>	<b>100%</b>

<sup>5</sup> Please note that shareholdings have been rounded to 2 decimal places.

Digital Radio Broadcasting Melbourne Pty Ltd	Number of shares	Shareholding percentage
3UZ Pty Limited	7,000	9.09%
ARN Broadcasting Pty Limited	7,000	9.09%
Austereo Pty Limited	7,000	9.09%
Double T Radio Pty Limited	7,000	9.09%
Malbend Pty Limited	7,000	9.09%
Nova 100 Pty Limited	7,000	9.09%
Radio 1278 Melbourne Pty Limited	7,000	9.09%
Radio 3AW Melbourne Pty Limited	7,000	9.09%
Triple M Melbourne Pty Limited	7,000	9.09%
Classic Rock 91.5FM Pty Limited	7,000	9.09%
Victorian Radio Network Pty Limited	7,000	9.09%
<b>Total</b>	<b>77,000</b>	<b>100%</b>

Digital Radio Broadcasting Perth Pty Ltd	Number of shares	Shareholding percentage
Consolidated Broadcasting System (W.A.) Pty Limited	13,000	16.67%
DMG Radio (Perth) Pty Limited	13,000	16.67%
Perth FM Pty Limited	13,000	16.67%
Radio 6PR Pty Limited	13,000	16.67%
Radio 96FM Perth Pty Limited	13,000	16.67%
Radio Perth Pty Limited	13,000	16.67%
<b>Total</b>	<b>78,000</b>	<b>100%</b>

<b>Digital Radio Broadcasting Sydney Pty Ltd</b>	<b>Number of shares</b>	<b>Shareholding percentage</b>
2KY Broadcasters Pty Limited	342,425	9.27%
ARN Communications Pty Limited	416,964	11.29%
Commonwealth Broadcasting Pty Limited	416,964	11.29%
Harbour Radio Pty Limited	7,000	0.19%
Nova 96.9 Pty Limited	416,964	11.29%
Radio 2CH Pty Limited	7,000	0.19%
Radio 2SM Pty Limited	416,964	11.29%
Radio 2UE Sydney Pty Limited	416,964	11.29%
Today FM Sydney Pty Limited	416,964	11.29%
Triple M Sydney Pty Limited	416,964	11.29%
Classic Rock 95.3 FM Pty Limited	416,964	11.29%
<b>Total</b>	<b>3,692,137</b>	<b>100%</b>