

21 November 2008

Sarah Sheppard and David Cranston  
Communications Group  
Australian Competition and Consumer Commission  
GPO Box 520J  
MELBOURNE VIC 3000

**By email:** [richard.home@acc.gov.au](mailto:richard.home@acc.gov.au) (with a copy to [digitalradio@acc.gov.au](mailto:digitalradio@acc.gov.au))

Dear Ms Sheppard and Mr Cranston

### Digital radio access regime – access undertaking

DMG Radio (Australia) Pty Ltd (**DMG**) is a major participant in the commercial radio industry in Australia. It owns or controls ten commercial radio stations in Australia, including the Nova FM and Vega FM radio networks.

DMG, through its related entities, Nova 96.9 Pty Ltd, Vega 95.3 Pty Ltd, Nova 100 Pty Ltd, Vega 91.5 Pty Ltd, DMG Radio (Perth) Pty Ltd, Nova 106.9 Pty Ltd, Nova 91.9 Pty Ltd and Festival City Broadcasters Pty Ltd, is a shareholder in Digital Radio Broadcasting Sydney Pty Ltd, Digital Radio Broadcasting Melbourne Pty Ltd, Digital Radio Broadcasting Perth Pty Ltd, Digital Radio Broadcasting Brisbane Pty Ltd and Digital Radio Broadcasting Adelaide Pty Ltd (each a **JVC Company**).

In light of the foregoing, DMG has taken a strong interest in the development of the access undertaking for digital radio and its consideration by the Australian Competition and Consumer Commission (**ACCC**).

DMG strongly supports the proposed access undertaking and considers that it should be approved by the ACCC in its current form.

DMG considers that the proposed access undertaking is consistent with:

- applicable clauses in the Radiocommunications Act 1992 (Cwlth) (**Radcom Act**); and
- the ACCC's decision making criteria.

Under the framework for digital radio multiplex services established under the Radcom Act, each JVC Company will operate as a wholesale business only and will have a single stream of revenue from the supply of digital radio multiplex services to access seekers.



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In order to ensure the financial viability of the JVC Companies and the supply of digital radio multiplex services on a sustainable basis, DMG believes it is necessary to ensure that the proposed access undertaking allows for each JVC Company to:

- fully recover their costs in providing multiplex capacity to access seekers; and
- achieve a normal commercial rate of return.

DMG considers that the access undertaking provides a strong basis for achieving these aims, while ensuring that access charges payable by access seekers are fair and reasonable. As each JVC shareholder will also be an acquirer of multiplex capacity through the relevant JVC Company, each JVC Company will face a strong incentive to minimise access charges and ensure that access is provided to all access seekers on a non-discriminatory basis.

Please do not hesitate to contact me if you have any questions in relation to the above.

Yours sincerely

A handwritten signature in black ink that reads "Kingsley Hall". The signature is written in a cursive, slightly slanted style.

**KINGSLEY HALL**  
**Group Finance Director &**  
**Group General Manager**