

**Annual Report to the ACCC  
pursuant to section 118PN of  
the Radiocommunications Act  
Financial Year 2013-2014**

**Digital Radio Joint Venture Companies**

Adelaide, Brisbane, Melbourne, Perth and Sydney

25 September 2014

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# 1 Executive Summary

## 1.1 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) (**Radiocommunications Act**) for the 2013-2014 financial year.<sup>1</sup>

On 22 April 2009, the Australian Competition and Consumer Commission (**ACCC**) determined that an ACCC-modified access undertaking was to apply to multiplex transmission capacity services by the JVCs pursuant to section 118NF(5) of the Radiocommunications Act (the **access undertaking**).

On 19 June 2013, the JVCs submitted a request to the ACCC to vary the access undertaking and the access agreement incorporated within it. Following a consultation process conducted by the ACCC, the JVCs withdrew their request on 4 November 2013. On 7 November 2013, the JVCs submitted a revised request for a variation of the access undertaking, taking into account feedback from stakeholders in response to the previous variation request. The ACCC accepted the revised variation on 19 December 2013.

Section 118PN of the Radiocommunications Act provides that, if an access undertaking is in force during the whole or part of a financial year, the JVCs must submit annual reports to the 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;
  - compliance during that financial year with the standard access obligations (if any) applicable to the licence;
  - compliance during that financial year with the excess-capacity access obligations (if any) applicable to the licence;
  - 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:

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

- 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);
- 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 2013-2014 financial year.

## 1.2 Overview of findings

The 2013-2014 financial year was the fifth year in which the JVCs supplied multiplex transmission services to access seekers pursuant to an access undertaking.

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 2013-2014 financial year. The JVCs have supplied the Multiplex Transmission Service to content service providers (including digital community broadcasters) in accordance with their legislative and regulatory obligations.

Some of the key highlights of the 2013-2014 financial year included:

- **On-channel repeaters go live:** the JVCs progressed their rollout of on-channel repeaters to address “black spots” in each BSA radio area and to improve digital radio services. As at 30 June 2014, seven on-channel repeaters were live across the Brisbane, Melbourne, Perth and Sydney BSA radio areas. Two further repeaters went live in July and September 2014 respectively. In relation to two further sites, Winmalee (NSW) and Mount Badgelly (NSW), on-channel repeaters are expected to go live by December 2014.
- **Interference management:** the JVCs entered into agreements with the Australian Broadcasting Corporation (**ABC**) and the Special Broadcasting Service Corporation

(SBS) authorising the JVCs to repeat the main ABC and SBS digital radio signals at low power within the in-fill area to manage any potential interference that on-channel repeaters may cause to the ABC and SBS digital radio signals.

- **Licence amendments secured:** the Australian Communications and Media Authority (ACMA) amended the Foundation Category 1 Digital Radio Multiplex Transmitter Licences held by the JVCs to authorise the use of on-channel repeaters to improve the coverage of digital radio services.
- **ACCC approves variations to access undertakings:** the ACCC approved variations to the digital radio access undertakings on 19 December 2013. The key variations approved by the ACCC included:
  - amendments to the service description of the Multiplex Transmission Service;
  - amendments to the suspension provisions in the access agreement to take into account the deployment of on-channel repeaters in each BSA radio area; and
  - allowing the access agreement to remain in force for the term of the access undertaking, rather than setting a defined expiry date.

The JVCs have commenced the process of entering into new access agreements with commercial and community broadcasters and expect to complete (or substantially complete) this process by the end of the calendar year. The JVCs also intend to renew their arrangements with the CBAA as part of this process.

### 1.3 Confidentiality

There are aspects of this Annual Report that are confidential to the JVCs. It is requested that aspects of this report that are identified as confidential not be disclosed to the public in accordance with section 13 of the Procedural Rules.

The JVCs do not object to the disclosure of this annual report in its entirety to the Australian Communications and Media Authority in accordance with section 16(1)(f) of the Procedural Rules.

## 2 Compliance with digital radio access undertaking

### 2.1 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 within our report given there are many aspects of these documents that are non-substantive

or which were not operative or relied upon during the 2013-2014 financial year (e.g. the liability and indemnity provisions under the access agreement).

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

- the supply obligations of the JVCs in respect of the multiplex transmission service under clause 9 of the access agreement;
- the obligations of the JVCs in respect of financial security under clause 14 of the access agreement; and
- the compliance by the JVCs 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 cost base of the JVCs 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 and excess capacity access obligations, which are covered in sections 3 and 4 below respectively.

## **2.2 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 the 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, to the best of their knowledge, aware of any non-compliance with clause 9 of the access agreement in the 2013-2014 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.

### **2.3 Financial security**

The JVCs did not require a financial security from any commercial radio broadcasters or digital community broadcasters in the 2013-2014 financial year, nor did the JVCs alter the overall structure of the financial arrangements that were previously put in place between the JVCs and the CBAA (as described in the annual report for 2010-2011).

Under these arrangements with the CBAA, the JVCs hold the equivalent of 3 months' access fees for 256 Kbps of multiplex capacity as financial security. This amount of financial security is adjusted every time the access fee changes and was adjusted in 2013-2014 to take account of the changes in the level of access fees.

### **2.4 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 3.2 and clause 3.3 of Schedule 2 of the access agreement sets out the specific types and categories of costs that are recoverable in accordance with the "Efficient Costs" principle, including:

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

While the JVCs have not engaged experts to express a definitive view on the efficiency of all costs incurred by the JVCs, the JVCs consider that the costs that have been included within its cost base during the 2013-2014 financial year reflect the efficient costs incurred by the JVCs.

A significant portion of the costs incurred by the JVCs in the 2013-2014 financial year were associated with the rollout and operation of on-channel repeaters. By 30 June 2014, seven on-channel repeaters were operational, while two sites became operational in July and September 2014 and a further two are expected to become operational later in 2014.

The following table summarises the 'go live' date for on-channel repeaters during the 2013-2014 financial year (and beyond):





[C-I-C: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]]

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 Schedule 2 of the access agreement.

## 2.5 Weighted Average Cost of Capital

During the 2013-2014 financial year, the JVCs used a post-tax WACC of 8.17% for the purpose of determining access fees. This is the WACC that has been used since 1 October 2011.

In January 2014, the JVCs engaged in communications with the ACCC regarding the WACC, which explained and clarified how the JVCs applied the WACC to determine access prices.

The specific parameters used by the JVCs to calculate the WACC during the 2013-2014 financial year 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%

## 2.6 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 annualised costs of the JVCs into an annual fixed recurring charge, based on the following formula:

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

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 2013-2014 financial year for standard access entitlements are set out below.

Price changes in all of the BSA radio areas took effect on 1 January 2014. The changes were made in accordance with clause 5.2(a) of Schedule 2 of the access agreement, which allows the JVCs to review the fees payable by access seekers to ensure consistency with the pricing principles established in Schedule 2 of the access agreement.

The adjustment in the fees payable reflects the increased operating costs incurred by the JVCs in the 2013-2014 financial year, including increased site access fees for main multiplex transmission sites, maintenance and support costs, extension of warranties for multiplex equipment and increased depreciation on capital costs for on-channel repeaters.

Access seekers received notice of the changes in accordance with clauses 5.2(c) and 5.2(f) of Schedule 2 of the access agreement.

The figures below are the access fees paid by the access seekers for the 2013-2014 financial year.

The figures below are exclusive of GST.

BSA Radio Area	Access Seekers	Q3 2013 Access Fee (32 Kbps, per quarter)	Q4 2013 Access Fee (32 Kbps, per quarter)	Q1 2014 Access Fee (32 Kbps, per quarter)	Q2 2014 Access Fee (32 Kbps, per quarter)	TOTAL Access Fee paid 2013-2014 financial year (32 Kbps)
Adelaide	5AD Broadcasting Pty Limited	\$5,451	\$5,451	\$6,064	\$6,064	\$23,029
	Festival City Broadcasting Pty Limited	\$5,451	\$5,451	\$6,064	\$6,064	\$23,029
	Nova 91.9 Pty Limited	\$5,451	\$5,451	\$6,064	\$6,064	\$23,029
	SCA Digital Pty Limited	\$5,451	\$5,451	\$6,064	\$6,064	<b>\$23,029</b>

BSA Radio Area	Access Seekers	Q3 2013 Access Fee (32 Kbps, per quarter)	Q4 2013 Access Fee (32 Kbps, per quarter)	Q1 2014 Access Fee (32 Kbps, per quarter)	Q2 2014 Access Fee (32 Kbps, per quarter)	TOTAL Access Fee paid 2013-2014 financial year (32 Kbps)
	Southern State Broadcasters Pty Limited	\$5,451	\$5,451	\$6,064	\$6,064	<b>\$23,029</b>
	Triple M Adelaide Pty Limited	\$5,451	\$5,451	\$6,064	\$6,064	<b>\$23,029</b>
	Digital Community Broadcasters	\$5,451	\$5,451	\$6,064	\$6,064	<b>\$23,029</b>
1. Brisbane (Channel 9A and 9B)	ARN Communications Pty Limited	\$4,510	\$4,510	\$4,981	\$4,981	<b>\$18,983</b>
	Brisbane FM Radio Pty Limited	\$4,510	\$4,510	\$4,981	\$4,981	<b>\$18,983</b>
	Broadcasting Station 4IP Pty Limited	\$4,510	\$4,510	\$4,981	\$4,981	<b>\$18,983</b>
	Nova 106.9 Pty Limited	\$4,510	\$4,510	\$4,981	\$4,981	<b>\$18,983</b>
	Radio 4BH Brisbane Pty Limited	\$4,510	\$4,510	\$4,981	\$4,981	<b>\$18,983</b>
	Radio 4BC Brisbane Pty Limited	\$4,510	\$4,510	\$4,981	\$4,981	<b>\$18,983</b>
	Today FM Brisbane Pty Limited	\$4,510	\$4,510	\$4,981	\$4,981	<b>\$18,983</b>
	Triple M Brisbane Pty Limited	\$4,510	\$4,510	\$4,981	\$4,981	<b>\$18,983</b>
	Digital Community Broadcasters	\$4,510	\$4,510	\$4,981	\$4,981	<b>\$18,983</b>
2. Melbourne (Channel 9A and 9B)	3UZ Pty Limited	\$5,247	\$5,247	\$6,453	\$6,453	<b>\$23,401</b>
	ARN Broadcasting Pty Limited	\$5,247	\$5,247	\$6,453	\$6,453	<b>\$23,401</b>
	Double T Radio Pty Limited	\$5,247	\$5,247	\$6,453	\$6,453	<b>\$23,401</b>
	Malbend Pty Limited	\$5,247	\$5,247	\$6,453	\$6,453	<b>\$23,401</b>
	Nova 100 Pty Limited	\$5,247	\$5,247	\$6,453	\$6,453	<b>\$23,401</b>
	Radio 1278 Melbourne Pty Limited	\$5,247	\$5,247	\$6,453	\$6,453	<b>\$23,401</b>

BSA Radio Area	Access Seekers	Q3 2013 Access Fee (32 Kbps, per quarter)	Q4 2013 Access Fee (32 Kbps, per quarter)	Q1 2014 Access Fee (32 Kbps, per quarter)	Q2 2014 Access Fee (32 Kbps, per quarter)	TOTAL Access Fee paid 2013-2014 financial year (32 Kbps)
	Radio 3AW Melbourne Pty Limited	\$5,247	\$5,247	\$6,453	\$6,453	\$23,401
	SCA Digital Pty Limited	\$5,247	\$5,247	\$6,453	\$6,453	\$23,401
	SmoothFM 91.5 Pty Limited	\$5,247	\$5,247	\$6,453	\$6,453	\$23,401
	Triple M Melbourne Pty Limited	\$5,247	\$5,247	\$6,453	\$6,453	\$23,401
	Victorian Radio Network Pty Limited	\$5,247	\$5,247	\$6,453	\$6,453	\$23,401
	Digital Community Broadcasters	\$5,247	\$5,247	\$6,453	\$6,453	\$23,401
3. Perth	Consolidated Broadcasting Systems (W.A.) Pty Ltd	\$6,999	\$6,999	\$6,921	\$6,921	\$27,838
	Perth FM Radio Pty Ltd	\$6,999	\$6,999	\$6,921	\$6,921	\$27,838
	Nova Entertainment (Perth) Pty Ltd	\$6,999	\$6,999	\$6,921	\$6,921	\$27,838
	Radio Perth Pty Ltd	\$6,999	\$6,999	\$6,921	\$6,921	\$27,838
	Radio 96FM Pty Ltd	\$6,999	\$6,999	\$6,921	\$6,921	\$27,838
	Radio 6PR Perth Pty Ltd	\$6,999	\$6,999	\$6,921	\$6,921	\$27,838
	Digital Community Broadcasters	\$6,999	\$6,999	\$6,921	\$6,921	\$27,838
4. Sydney	2KY Broadcasters Pty Limited	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199
	ARN Communications Pty Limited	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199
	Commonwealth Broadcasting Pty Limited	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199
	Harbour Radio Pty Limited	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199
	Nova 96.9 Pty Limited	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199
	Radio 2CH Pty Limited	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199

BSA Radio Area	Access Seekers	Q3 2013 Access Fee (32 Kbps, per quarter)	Q4 2013 Access Fee (32 Kbps, per quarter)	Q1 2014 Access Fee (32 Kbps, per quarter)	Q2 2014 Access Fee (32 Kbps, per quarter)	TOTAL Access Fee paid 2013-2014 financial year (32 Kbps)
	Radio 2SM Pty Limited	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199
	Radio 2UE Sydney Pty Limited	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199
	SmoothFM 95.3 Pty Limited	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199
	Today FM Sydney Pty Limited	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199
	Triple M Sydney Pty Limited	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199
	Digital Community Broadcasters	\$6,615	\$6,615	\$6,484	\$6,484	\$26,199

The JVCs are not aware of any non-compliance with clause 5 of Schedule 2 of the access agreement in the 2013-2014 financial year.

### 3 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 provides the contractual basis for the implementation of these legislative requirements.

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 (**Representative Company**) to claim the standard access entitlement.<sup>2</sup>

The JVCs have met this requirement by allocating standard access entitlements to digital community broadcasters in the 2013-2014 financial year pursuant to access agreements with

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

digital community broadcasters nominated by the Representative Company, as executed in the 2010-2011 financial year.

While these access agreements officially expired on 31 December 2012, the JVCs and all access seekers continue to comply with the access agreement. Following the ACCC's approval of a revised access undertaking and access agreement in December 2013, the JVCs have started to take steps to put in place revised access agreements with the community sector.

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 2013-2014 financial year.

## 4 Compliance with excess-capacity access obligations

### 4.1 Excess-capacity access obligation

Section 118NM 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 2013-2014 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 2013-2014 financial year.

## 5 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.

## **6 Changes to membership**

There were no changes to the membership structure of any of the JVCs during the 2013-2014 financial year. However, certain shareholders have changed their business names during this period.

Attachment 2 sets out the membership of the JVCs, including the percentage of shareholdings and updated business names of the shareholders.

## **7 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 2013-2014 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 2013-2014 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 – JVC membership for 2013-2014 financial year<sup>3</sup>

Digital Radio Broadcasting Adelaide Pty Ltd	Number of shares	Shareholding percentage
5AD Broadcasting Company Pty Limited	13,000	16.66%
Festival City Broadcasting Pty Limited	13,000	16.66%
Nova 91.9 Pty Limited	13,000	16.66%
SCA Digital 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>3</sup> Please note that shareholdings have been rounded to 2 decimal places.  
**Digital Radio Joint Venture Companies**

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%
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%
SCA Digital Pty Limited	7,000	9.09%
SmoothFM 91.5 Pty Limited	7,000	9.09%
Triple M Melbourne 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%
Nova Entertainment (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>

Digital Radio Broadcasting Sydney Pty Ltd	Number of shares	Shareholding percentage
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%
SmoothFM 95.3 Pty Limited	416,964	11.29%
<b>Total</b>	<b>3,692,137</b>	<b>100%</b>