

30 November 2009

## Extra digital spectrum sold at auction

In an historic moment for digital radio in Australia, commercial broadcasters have paid more than AUD\$7 million to buy excess spectrum capacity on the commercial multiplexes in each of the five launch cities in an auction held late last week.

In Brisbane, the successful bidders were Austereo, DMG and Australian Radio Network (ARN) (capacity sold for up to 20 new audio and/or data services); in Melbourne they were Austereo, Sport 927 and Australian Radio Network (ARN) (up to 12 new audio and /or data services), in Sydney they were Austereo, Supernetwork and Australian Radio Network (ARN) (up to 12 new audio and/or data services); in Perth they were Grant/Capital Broadcasters and Austereo (up to four new audio and/or data services) and in Adelaide it was Austereo (up to four new audio and/or data services).

Joan Warner, CEO, Commercial Radio Australia said the successful auction was good news for digital radio. "The auction results and the extremely competitive bidding that occurred is a massive vote of confidence in the technology and demonstrates the support that commercial broadcasters have for DAB+ and its future," said Ms Warner.

"The additional spectrum will allow the successful bidders even more creative opportunities to introduce many more programming alternatives for the listening audience and really exploit the power of the DAB+ digital radio technology."

Under the digital legislation, each incumbent commercial radio station in the licence areas of Sydney, Melbourne, Brisbane, Adelaide and Perth has been allocated 128kb of spectrum on the commercial multiplex. Commercial operators are also required to reserve 2/9<sup>th</sup> of each commercial multiplex for joint use by wide area community stations in each licence area.

Spectrum remaining after the statutory entitlements of commercial broadcasters and communities are met is excess capacity. Under the legislation where demand for this spectrum exceeds supply, an auction must be held.

On 27 November 2009, an auction for the excess capacity on each commercial multiplex was held for each city, the reserve price for spectrum was set by an independent econometrician and the auctions were conducted by auctioneers, Bonhams and Goodman.

As required by the digital legislation, funds raised through the excess capacity auction are to be used by the digital joint venture companies in each city for the promotion of digital radio technology in their markets.

Throughout May, June and July of 2009 commercial and public broadcasters switched on digital services in the five cities culminating in the consumer launch event on 6 August 2009.

A large number of new DAB+ digital only commercial radio stations are now being broadcast including Novanation, Koffee, Radar, Hot30 Countdown Jelli, Gorilla Super Digi, MY Perth Digital, Hot Country Perth Digital, Mix 102.3 Plus, WSFM Plus, Gold Plus, The EDGE Digital, and Sky Sports Radio 2, together with existing commercial stations simulcast on digital.

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For more information about digital radio, visit [www.digitalradioplus.com.au](http://www.digitalradioplus.com.au).