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# The analog commercial radio sector

## ABA statement of intention on future commercial radio allocations in the broadcasting services bands

The ABA has announced its intentions concerning the analog commercial radio sector.

The ABA has completed the planning of all of the radio licence areas in Australia and it is now appropriate to give some indication of our current intentions concerning that sector,' said Professor Flint.

'As a general policy, the ABA does not propose to allocate any further analog commercial radio licences within five years of the last allocation in the present round. This should not be taken to mean that after five years the ABA will begin a further round of allocations. Mindful of the statutory requirement that the regulatory arrangements be stable and predictable, we believe it appropriate to give some indication of our present thinking.'

The ABA has determined licence area plans for radio throughout Australia and the price-based allocation of additional commercial radio broadcasting licences in Adelaide, Sydney, Melbourne and Brisbane will complete the allocation of new commercial radio broadcasting licences shown in those plans. By then the ABA planning process will have seen ninety seven new commercial radio services planned across Australia, with 36 of them allocated by auction and 61 awarded to existing solus market commercial licensees. This has resulted in a considerable expansion of the number, diversity and reach of commercial radio services in most markets, with solus markets doubling to two stations and larger regional and metropolitan markets typically adding one or two additional commercial FM stations. This growth has been accompanied by similarly rapid expansion of other types of radio services, notably open narrowcasting and community broadcasting. While completion of these allocations will not be the end of analog radio planning, such wholesale expansion of analog radio is unlikely to recur.

The history of radio in Australia shows that industry expansion is cyclical and linked with new technology. The major periods of expansion occurred before World War II, in the case of AM radio, and from 1980 until the present in the case of FM radio. Although digital technology may soon open up new frontiers for expansion, further growth of analog radio on the scale of the last decade is unlikely. Analog radio spectrum is now heavily congested in the metropolitan areas and many of the more densely settled regions. While further increases in the number of services might be achieved, in congested areas where spectrum is scarce it can be expected to come at the cost of changes to existing services. For example, low powered services currently utilising frequencies suited to high power services might be required to shift to vacant frequencies suitable only for lower powered operation. This can be contrasted with the situation in 1992, at the start of the ABA spectrum planning process. Back then, there were numbers of vacant frequencies suitable for high or medium power ra-

dio services available in most markets.

The Broadcasting Services Act enjoins the ABA to create regulatory arrangements that are 'stable and predictable'. Accordingly, with respect to analog AM and FM services using the broadcasting services bands, the ABA has decided to clarify that it has no present plans for further expansion of the analog commercial radio sector. In markets where one or more additional commercial radio services have been allocated, as a general policy it does not propose to allocate any further analog commercial radio licences until five years at the earliest after the last commercial radio licence allocation in that market. In markets where there are unallocated commercial radio services shown as available in licence area plans, the general policy will take effect after allocation of those licences. The articulation of this general policy is intended to allow the markets to accommodate those new services, and to provide a stable and predictable regulatory environment for investors in commercial radio services. However it should be noted that, in law, the ABA cannot fetter its discretion to



# Nine applicants for new Adelaide commercial radio licence

vary a licence area plan in any way should it consider the circumstances require it. Nor should it be taken to imply that the ABA would necessarily consider allocating additional analog commercial radio licences in markets where more than five years have elapsed since the most recent allocation.

The general policy only applies to analog commercial radio services using the broadcasting services bands of the radiofrequency spectrum. It is not intended to constrain decisions that may be made in future concerning digital radio systems. An exception would be made to the general policy for any services planned as a result of the Minister's section 162 direction of 10 April 2003. (Where the circumstances outlined in the Minister's direction are made out, the ABA is required to reopen the relevant licence area plan and consider whether to plan an additional commercial radio service.) Nor can the general policy apply to section 40 (non-broadcasting services bands) commercial licences, as the ABA has only a limited discretion to refuse to allocate a section 40 licence on application.



The ABA will conduct an auction on Friday, 31 October 2003, to allocate one new commercial radio licence to serve Adelaide. The new FM service will broadcast on 91.9 MHz with a translator service to service the Adelaide Foothills on 99.1 MHz.

The ABA has received nine applications for the licence. The applicants are:

#### Licence auction

The auction for this licence will be held at the Radisson Playford Hotel, 120 North Terrace, Adelaide. Registered applicants must check in between 1pm and 1.45pm, with the auction expected to commence at 2pm. There is a reserve price of \$1million for the licence. Members of the public and the media are welcome to attend the auction, however, only registered applicants may bid for licences.

- ARN South Australia Pty Limited (ACN: 105 319 186)
- Brougham Broadcasting Pty Ltd (ACN: 106 394 889)
- CPS Radio Pty Limited (ACN: 106 474 640)
- DMG Radio Adelaide Pty Ltd (ACN: 101 440 608)
- Hot Tomato Australia Pty Ltd (ACN: 100 626 739)
- Macquarie Radio Network Pty Limited (ACN: 063 906 927)
- Northcliffe Radio Pty Ltd (ACN: 106 378 134)
- Radio Adelaide FM Pty Ltd (ACN: 106 444 437)
- Third National Network Australia Pty Ltd (ACN: 095 062 285)

The auction, technically a 'licence allocation exercise', will be conducted in accordance with the price-based allocation system determined by the ABA under section 36 of the Broadcasting Services Act.



## New minister for the communications portfolio



The Prime Minister has announced the appointment of the Hon. Daryl Williams AM, QC, MP as the new Minister for Communications, Information Technology and the Arts, replacing Senator Richard Alston, before the Senator's retirement.

In announcing the appointment the Prime Minister said, 'I wish to thank Richard Alston for his outstanding contribution to the Liberal Party at both the organisational and parliamentary levels. A former President of the Victorian division, Senator Alston entered the Senate in 1986. He served in a variety of shadow portfolios but his major achievements have been as Minister for Communications, Information Technology and the Arts since 1996'.

Mr Williams was previously the Attorney-General.

