

minimum start-up capital costs associated with the provision of a 600kW ERP UHF television facility to be in the order of \$2million (excluding any provision for studio facilities).

9. Please provide a breakdown of your estimate of the capital costs required to establish the service you propose to provide. Capital costs should include the cost of the following:

- transmitter;
- feeder cable;
- transmission site and facilities (mast, antenna etc.);
- studio facilities (if any);
- cost of program delivery from source(s) of supply to the transmitter;
- other (please specify).

10. Please provide any material you consider necessary to support your estimates in answer to Q.9 above. In doing so you may wish to respond to the ABA's estimate of minimum start-up costs. You may also wish to make submissions as to the relevance of this matter (the likely cost of market entry) in the ABA's consideration of the likelihood of you being in a position to operate a commercial television broadcasting service in this licence area.

11. Please provide general estimates of operating costs for the proposed service for the first 5 years (the initial term of the licence).

Operating costs include the cost of the following:

- programming;
- operational costs:
 - staffing (include proposed staff numbers);
 - transmission/technical;
 - production/operations;
 - sales/advertising/promotions;
 - administration;
- depreciation;
- licence fees (you should assume annual revenue-based licence fees will apply);
- lease of equipment;
- interest charges or other ongoing costs of access to funds;
- other.

12. Please provide any material you consider necessary to support your estimates in answer to Q.11 above. In doing so you should detail any material assumptions made (e.g. projected annual cost increases, estimated interest rates etc.) and where necessary, the basis for your assumptions. You may also wish to make submissions as to the relevance of this matter in the ABA's consideration of the likelihood of you being in a position to operate a commercial television broadcasting service in this licence area.

Financial position

A person's ability to access necessary capital and operating

funding (and to sustain any accumulated operational shortfalls) may be relevant to the ABA's consideration of the likelihood of their being in a position to operate another commercial television broadcasting service in the licence area.

13. In what year after service commencement do you estimate the service you propose to achieve positive cashflow? Please provide estimates of any annual operating shortfalls expected prior to this point. How would you propose to fund any operational shortfalls (including both equity and debt funding)?

14. Please provide any material you consider necessary to support your estimates in answer to Q.13 above. In doing so you should detail any material assumptions made (e.g. estimates of revenues, market share and rates of revenue growth for the years in question) and where necessary, the basis for your assumptions. You may also wish to make submissions as to the relevance of this matter in the ABA's consideration of the likelihood of you being in a position to operate a commercial television broadcasting service in this licence area.

15. You may wish to make any other submissions you consider relevant to the ABA's consideration of the likelihood of your being in a position to operate another commercial broadcasting service in this licence area.

ABA discretion

If the ABA is satisfied that it is unlikely that another person is likely to be in a position to operate another service the ABA may give permission to the licensee to operate a second commercial television service in the licence area. That is, in this circumstance it is a matter for the ABA whether permission should be given although the circumstances in which the ABA would decline to grant permission under s.73(2) despite being satisfied of the required unlikelihood may be quite limited.

16. Are there any submissions you wish to make about how the ABA should exercise its discretion in this circumstance?

Programs granted C or P classification

Programs granted a C or P classification by the ABA between 14 September 1995 and 16 October 1995. Producers interested in submitting programs for classification should contact Liz Gilchrist on (02) 334 7840.

| Title | Origin | Clas. | New/renewal | Decision date | Applicant |
|--------------------------|-----------|-------|-------------|---------------|--|
| CROCADOO | Australia | CAD | new | 28.9.1995 | Unlimited Energiee Pty Ltd |
| DOT IN SPACE | Australia | CAD | new | 28.9.1995 | Yoram Gross Film Studios Pty Ltd |
| MY GENERATION (SERIES 2) | Australia | C | new | 6.10.1995 | Pro Television Pty Ltd |
| RHINO | Australia | PRC | new | 20.9.1995 | F-reel Pty Ltd |
| SPACE KNIGHTS | Aust/NZ | C | renewal | 10.10.1995 | The Seven Network |
| SPELLBINDER | Australia | CAD | new | 29.9.1995 | Film Australia Pty Ltd |
| THE SECRET GARDEN | England | C | new | 11.10.1995 | Southern Television Corporation Pty Ltd |
| WHAT'S IN THE BOX | Australia | PRP | new | 12.10.1995 | Patch Productions <input type="checkbox"/> |

CAD - C Australian Drama

PRC - Provisional C

Clas. - Classification