



The ABA will auction two new commercial television broadcasting licences to serve the Darwin and Mildura markets. These will be the first television licences to allocated under the new price-based allocation system.

Commercial television licences to be auctioned

The ABA will auction two new commercial television broadcasting licences on 29 October 1996. The licences, each with a reserve price of \$10 000, are to serve the Darwin and Mildura markets.

'This is the first time that commercial television licences have been offered for allocation to new players since the 1980s, and the first time in Australia that commercial television licences will be allocated using a price-based allocation system,' said ABA Chairman Peter Webb.

The ABA has received seven applications for the Darwin licence, and five applications for the Mildura licence. The closing date for applications was 16 August 1996. The ABA will not be identifying the applicants for the licences. Only the details of successful bidders for each of the licences will be made public.

Auctions for the licences will be held at the ABA's Sydney office, Level 16, 201 Sussex Street Sydney (corner of Market and Sussex Streets), starting at 10.15 a.m. Members of the public may attend the auctions, but only registered applicants may bid for the licences.

'The ABA's price-based allocation system is an auction-style system which provides

an opportunity for anyone interested in starting a new service to bid for a licence in an open forum', Mr Webb said. 'The system allows the ABA to quickly allocate the new licences and the people of Darwin and Mildura can look forward to a wider choice of commercial television services in the near future once the new licences are allocated.'

Any new services will operate on UHF channel 34 in Darwin (with translators at Darwin North and Batchelor) and UHF channel 32 in Mildura/Sunraysia.

Price-based allocation system

The *Commercial Broadcasting Licence Allocation Determination No. 1 of 1995* (the Determination), which sets out the price-based allocation system, was determined under s.36 of the *Broadcasting Services Act 1992* (the Act).

The system applies to commercial television and radio broadcasting licences that are broadcasting services bands licences (UHF/VHF television and AM/FM radio), and non-broadcasting services bands commercial television licences allocated before the proclamation date referred to in s.28 of the Act.

Under the system, if there is

more than one applicant for a licence, the licence will be allocated to the highest bidder at a licence allocation exercise if the price bid is higher than the published reserve price for the licence; and the other requirements of the determination are met (see below).

Unless the ABA decides to set a higher reserve, the reserve price will be equal to the application fee of \$10 000.

The highest bidder at a licence allocation exercise will be required to pay a deposit immediately. The deposit will be 10 per cent of the difference between the price bid and the application fee. Full payment for the licence (price bid less the application fee and the deposit) must be made approximately 45 days after the relevant licence allocation exercise.

If there is only one applicant for a licence, a licence allocation exercise will not be held. Instead, the licence will be allocated to the sole bidder once the reserve price is paid and requirements of the determination met.

Successful applicant who fail to meet any of the above requirements will not be allocated the licence, and the application fee will be forfeited. The ABA may then re-offer the licence for allocation.

The ABA must not allocate a

licence to an applicant if the applicant is not a company formed in Australia or in an external territory which has a share capital, or if the ABA decides that applicant is not a suitable applicant in the terms of s.41(2) of the Act.

A licensee must begin providing a service within one year of being allocated the licence, or within such longer period as is notified in writing by the ABA.

In making a decision whether to extend the time to commence a service, the ABA will take into account all relevant circumstances, including the availability of programming and technical facilities.



A general overview of the licence allocation system and other associated information is contained in the ABA booklet *Licensing of new free-to-air broadcasting services*. Free copies of the booklet may be obtained from the ABA by telephoning Freecall 1 800 810 241.