



Three new commercial television broadcasting licences — one each in the Darwin, Mildura and Griffith areas, will be offered by the ABA.

# ABA to auction new commercial TV licences

The ABA is calling for applications for three new commercial television broadcasting licences — one each in the Darwin, Mildura and Griffith areas.

'These are the first new commercial broadcasting licences to be offered under the ABA's new price-based allocation system,' said ABA Chairman Mr Peter Webb.

Applications for the licences will close at **12.00 midnight, Friday 16 February 1996.**

He said the licences are being offered after the ABA's planning process identified a demand for new services and released final licence area plans for Darwin, Mildura and Griffith earlier this year.

'The ABA's job is to identify vacant radio and television channels and decide the number and type of new channels and licences. Then it's for business and the community to take up these opportunities via the allocation process,' he said.

Mr Webb said the licences will be allocated at auctions likely to be held in Sydney early in March 1996: 'The auction-style system allows the ABA to allocate new commercial broadcasting licences quickly and allows bidders to compete in an open forum.'

Under the system, if there is more than one applicant for a licence, an auction-style licence allocation exercise will

be held and licences allocated to the highest bidder.

Alternatively, if there is only one applicant for a licence, it will be allocated to that bid-

der. Licences will be allocated subject to certain requirements.

copies of the forms to be completed by applicants. A notice inviting applications has been published in relevant newspapers.

## The new television services be on the following channels:

Darwin	Mildura/Sunraysia	Griffith/MIA
<b>UHF channel 34</b> (translators at Darwin North and Batchelor)	<b>UHF channel 32</b>	<b>UHF channel 31</b> (translator at Hay)

der. Licences will be allocated subject to certain requirements.

Bidders for licences must pay an application fee of \$10 000 per licence. The sum of \$10 000 will also be the reserve price for each of the Darwin, Mildura and Griffith licences. The application fee will form part of the licence price for the successful applicant and will normally be refunded to unsuccessful applicants.

'The people of Darwin, Mildura and Griffith have told the ABA they are interested in a wider choice of commercial television services and we're responding to that interest.'

Prospective bidders should obtain the ABA information package, *Price-based Allocation of Commercial Broadcasting Licences* (\$50).

The information package explains how to apply for a licence, provides technical specifications and contains

## Features of the price-based allocation system

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

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.

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Under the system, if there is more than one applicant for a licence, the licence will be allocated to the highest bidder if:

- the price bid is higher than the published reserve price for the licence,
- and the other requirements of the determination are met.

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 immediately pay a deposit of 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 the determination requirements met.

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

#### **Other requirements of the determination**

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.

Under the Act, an applicant is presumed to be 'suitable' unless the ABA decides that

allowing the applicant to provide commercial broadcasting services under a licence would lead to a significant risk of an offence against the Act or associated regulations being committed, or a breach of the conditions of the licence occurring.

#### **Commencement of service**

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

#### **For more information**

The ABA's information package, *Price-based Allocation of Commercial Broadcasting Licences* contains, amongst other things, the *Commercial Broadcasting Licence Allocation Determination No 1 of 1995*, which sets out the price-based allocation system. The information package contains a detailed description of how the system works.

It also contains copies of all forms which must be completed by applicants, and provides technical specifications and other information relating to the services for which licences are available. The information package is available for purchase from the ABA for \$50.

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*.

Copies of the booklet may be obtained without charge from the ABA. Please contact Leanne Smith, Allocation and Renewal Section, on (02) 334 7824.

*Please note this general information is not sufficient for prospective bidders.* ☐

## NTD applies for second TV service in Darwin area

The ABA has received an application for permission to operate a second commercial television broadcasting service in the Darwin area from Territory Television Pty Limited, licensee of local commercial television service, NTD.

'NTD is entitled to apply because it is the sole commercial television licensee in the area,' said Mr Webb.

Under s.73 of the *Broadcasting Services Act 1992*, the ABA may allow NTD to provide an extra service only if it is satisfied 'that it is unlikely that another person would be interested in, and likely to be in a position to, operate another commercial television broadcasting service in the licence area.'

He said if the ABA found that entrepreneurial interest expressed during the ABA's planning process for Darwin no longer existed, the new television licence could be allocated to NTD without an auction under s.73 of the Act.

The ABA must decide whether or not to give NTD permission within 45 days after receiving the application. This date will be 16 January 1996.

In order to meet this dead-

The closing date for return of the completed schedule to the ABA is  
**18 December 1995.**

Interested parties should call Gavin Oakes on (02) 334 7927 or Leanne Smith on (02) 334 7824 of ABA Allocation & Renewal section to receive an information package which includes a schedule of questions to be answered.

line, persons other than NTD who are interested in operating a commercial television broadcasting service in the Darwin area, should contact the ABA as soon as possible.

#### **What happens if the ABA does not grant permission to NTD under s.73?**

The ABA will proceed with the price-based allocation process for the Darwin licence.

#### **What happens if the ABA grants permission to NTD under s.73?**

The ABA will withdraw the offer of the new Darwin television licence from price-based allocation.

#### **When would licence allocation begin?**

It is likely to begin in March 1996.

#### **Which markets could be involved in s.73 applications?**

Section 73 applies to markets where there is only one commercial television operator and in which the ABA has made a second licence available for allocation.

The existing commercial television licensees in the first two licence area plans released by the ABA, Mildura/Sunraysia and Griffith/ MIA, both applied for permission under s.73. The ABA refused to grant permission in both cases.

#### **How is the ABA advising potential television operators about s.73 applications?**

The ABA has prepared an information package for companies participating in the s.73 process, including legislative and administrative frameworks, and is disseminating this to parties who express an interest in providing a service in the Darwin licence area as they become known. ☐