



Hot Tomato Pty Ltd bid \$26.0 million for a new commercial FM radio licence to serve the Gold Coast and onestore.com.au Pty Ltd bid \$8.2 for a new commercial FM radio licence to serve Nambour at an ABA auction on 26 August 2002.

\$26M & \$8.2M bid for Qld commercial radio licences

Hot Tomato Pty Ltd bid \$26.0 million for a new commercial FM radio licence to serve the Gold Coast and onestore.com.au Pty Ltd bid \$8.2 for a new commercial FM radio licence to serve Nambour at an ABA auction on 26 August 2002.

'The ABA is very pleased with the result of today's auction,' said the ABA Chairman.

'It indicates how commercially valuable the FM band is. The level of bidding demonstrates a real depth of interest in the market and shows that the radio frequency spectrum is a public asset of great worth. When these new services go to air, they will add to the diversity of radio services for listeners in the Gold Coast and Nambour markets.'

The ABA made licences available for one new commercial and three new community radio services in its licence area plan for the Gold Coast, and one new commercial and two new community radio services in its licence area plan for Nambour.

Full payment for the licences must be made between 10 and

12 October 2002. The ABA will allocate the licences, which are to provide commercial radio service on 102.9 MHz on the FM band for the Gold Coast and 91.1 MHz for Nambour, as soon as possible after full payment is received.

Background

How are commercial broadcasting licences allocated?

The *Broadcasting Services Act 1992* requires the ABA to develop a price-based system to allocate licences for commercial radio and TV broadcasting services that use the broadcasting services bands.

The price-based allocation system developed by the ABA is governed by the *Commercial Broadcasting Licence Allocation Determination* (available on the ABA website at www.aba.gov.au/radio/licensing/commercial/pdfrtf/s36det98.pdf).

Applications for licences for new commercial broadcasting services will be invited only after the ABA has decided to make a new service available in

a licence area plan.

An applicant for a commercial broadcasting licence must be a company formed in Australia or in an external territory, which has a share capital.

How does the price-based allocation system work?

If the ABA registers more than one application for an advertised licence, the registered applicants will bid for the licence at a licence allocation exercise.

The highest bidder must pay a deposit of 10 per cent of the price bid immediately following the auction.

Successful bidders for commercial licences must pay the balance of the price of the licence between 45 and 47 days after the auction. The ABA will allocate the licence as soon as is practicable after full payment is received.

If a successful applicant fails to meet any of the requirements of the Determination that govern the licence allocation processes, the licence will not be allocated to the applicant. The ABA may

then re-offer the licence for allocation.

What happens once an applicant is successful in getting a licence?

Successful applicants for commercial licences must commence a service within one year of being allocated the licence (or within a longer period with the ABA's permission).

