

11 January 2008



<Name>

[Director] or [Secretary]

<Name of organisation>

<Address>

<Address>

Dear <Name>

**INVITATION TO SUBSCRIBE FOR SHARES AND BECOME A MEMBER OF AN  
ELIGIBLE DIGITAL REPRESENTATIVE COMPANY FOR THE HOBART RA1  
COMMERCIAL RADIO LICENCE AREA**

Pursuant to section 9C of the *Radiocommunications Act* 1992 (the “**Radcoms Act**”) the Community Broadcasting Association of Australia, as promoter, invites all incumbent digital community radio broadcasting licensees (“**Incumbent Community Broadcasters**”) in the Hobart RA1 commercial radio licence area, to subscribe for shares in a company (“**Hobart DR Company**”) that will become digital community radio broadcasting representative company for the purposes of section 9C of the Radcoms Act.

The Hobart DR Company has not been incorporated at the date of this invitation, but will be incorporated following the close of this invitation and Incumbent Community Broadcasters that accept this invitation will become the founding members of the Hobart DR Company.

Please note that **only** those persons that fit the above criterion are entitled to subscribe for shares and become members of the Hobart DR Company on its incorporation.

**1. Reason for establishment of a Hobart DR Company**

First, on its incorporation, it is intended that all Incumbent Community Broadcasters (whether they accept this invitation or not) will give the Australian Communications and Media Authority (**ACMA**) a joint written notice under sub-section 9C(1)(b) of the Radcoms Act that the paragraph apply to the Hobart DR Company.

Following that, it is intended that the Hobart DR Company will accept an invitation to subscribe for shares and become a member of the eligible joint venture company being formed for the purposes of sub-section 102C(5) of the Radcoms Act (“**Hobart JV Company**”) by Commercial Radio Australia (**CRA**), as promoter. The Hobart JV Company is being formed to apply for the “Category 1 digital radio multiplex transmitter licences” for the Hobart RA1 commercial radio licence area.

Sub-section 102C(5) of the Radcoms Act provides that only a digital community radio broadcasting representative company and the incumbent digital commercial radio broadcasting licensees in the area may become members of a Hobart JV Company Hobart RA1 commercial radio licence area.

On 11 December 2007, ACMA issued an invitation for an “**eligible joint venture company**” to apply for those licences. The term eligible joint venture company is defined in sub-section 102C(5) of the Radcoms Act.

ACMA’s invitation will be open for at least 150 days, from 11 December 2007 to 9 May 2008.

On 21 December 2007, CRA issued an invitation to eligible licensees (including the digital community radio broadcasting representative company) for the Hobart commercial radio licence area to join a Hobart JV Company. The invitation was published on ACMA’s Internet site on 24 December. Accordingly, CRA’s invitation will be open for at least 120 days from 24 December 2007.

## **2. Invitation to subscribe for shares and become a member of the proposed company**

It is required that this invitation remain open for at least 90 days beginning on the date on which it is first published on ACMA’s website.

It is intended that the Hobart DR Company will be formed after this invitation period ends and Incumbent Community Broadcasters that accept this invitation will be required to sign an application for shares and consent to become a member of the Hobart DR Company to enable it to be formed.

The initial amount payable for the issue of shares will be \$1.00 per share and each member will subscribe for the same number of shares, which may be a nominal amount for the purpose of establishing the Hobart DR Company. However, soon after the establishment of the Hobart DR Company and once the funding requirements of the Hobart JV Company are known, all members will be called on to provide further funding.

Those further funding contributions will be made on a pro rata basis relative to the number of shares that each member in the Hobart DR Company holds when the call for additional funding is made.

As noted above, following incorporation it is intended that the Hobart DR Company shall accept the CRA’s invitation to subscribe for shares in and become a member of the Hobart JV Company.

## **3. Indicative Capital Costs for DR Company Members**

In order to assist in making the decision on joining the Hobart DR Company, the Community Broadcasting Association of Australia has developed an indicative infrastructure cost for each Hobart DR Company member which will fall due in calendar year 2008. These figures have been determined having regard to the indicative infrastructure cost for the Hobart DR Company’s share of funding for the Hobart JV Company set out in the invitation received from CRA by the Community Broadcasting Association of Australia. These costs will be further refined and are meant as a guide only.

The Hobart DR Company will have access to 2/9th of each foundation multiplex capacity. An indicative cost contained in CRA's invitation relating to the Hobart JV Company that will operate the multiplex estimates the total indicative cost to the Hobart DR Company for Hobart will be <\$XXX>.

#### **4. Membership is voluntary**

Please note that membership of a Hobart DR Company is **voluntary**.

If you are eligible to subscribe for shares and become a member, but choose not to become a member of a Hobart DR Company, you will then be classed as an "access seeker". This means you will still have the statutory right to obtain access to one of the Hobart digital radio multiplexes in order to provide digital community radio broadcasting services when digital radio broadcasting commences.

In order to obtain access to the digital broadcasting facilities operated by the Hobart JV Company, *access seekers* will be required to pay an annual access fee which will be set by the Hobart JV Company.

#### **5. Activities of the proposed company**

Pursuant to sub-section 9C(1)(k) of the Radcoms Act, the activities of a Hobart DR Company will be confined to:

- Holding shares in one or more companies that hold, have applied for, or propose to apply for, category 1 digital radio multiplex transmitter licences or category 2 digital radio multiplex transmitter licences for the Hobart area; and
- Exercising the powers conferred by the Radcoms Act on a digital community radio broadcasting representative company.

#### **6. Share issue**

On registration of a Hobart DR Company with ASIC, each eligible applicant for membership will be issued with shares in the Company (see 2 above).

Members of the Hobart DR Company will be required to subscribe for further shares when the further funding requirements are confirmed; it is expected this will occur once the CRA or the Hobart JV Company have determined the final capital contribution requirements for the Hobart JV Company and notified the Community Broadcasting Association of Australia (as promoter of the Hobart DC Company) or the Hobart DC Company if it has been formed – see paragraphs 2 and 3 above.

By accepting this invitation, eligible applicants will be required to provide the additional funding and subscribe for additional shares.

#### **7. How to apply**

If you meet the eligibility criteria above and wish to become a member of a Hobart DR Company, you may do so via the consent form attached to this letter.

Each member of a Hobart DR Company will be entitled to appoint one (1) director to the board of the Company.

Please ensure that the attached form is signed by people with the authority to bind your organisation.

**Once the consent forms are completed, please return them to us. Postal and fax details for CBAA are listed on the forms.**

Please do not hesitate to contact me on (02) 9318 9600 if you have any questions in relation to this invitation.

Yours sincerely

Barry Melville  
**General Manager**

**APPLICATION TO BECOME A MEMBER OF THE HOBART DR COMPANY**  
*Corporations Act 2001*

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To: Ian Laird Fax: (02)

Digital Radio Project Manager  
Community Broadcasting Association  
of Australia PO Box 564 ALEXANDRIA  
NSW 1435

**APPLICATION TO BECOME A MEMBER**

The organisation whose details are noted below (the “**Applicant**”) applies to become a member of the Hobart DR Company (the “**Company**”) on the basis:

- (1) firstly, contemplated under section 9C of the *Radiocommunications Act 1992*;
- (2) secondly, as otherwise set out in the letter from the Community Broadcasting Association of Australia dated 11 January 2008 (to the extent consistent with the provisions of section 9C of the *Radiocommunications Act 1992*).

**Applicant organisation name:** \_\_\_\_\_

**ACN:** \_\_\_\_\_

**ABN:** \_\_\_\_\_

**Registered Address:** \_\_\_\_\_  
\_\_\_\_\_

**Share Class:** ORDINARY SHARES

Date:  
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Signed for and on behalf of the Applicant organisation, identified above, in accordance with section 127 of the Corporations Act:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Full name of director (please print)

\_\_\_\_\_  
Full name of director/secretary  
(please print)