



15 February 2021

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**Invitation to subscribe for shares in an eligible joint venture company for the Gold Coast RA1 BSA radio licence area**

On 15 January 2021, the *Australian Communications and Media Authority (ACMA)* published a notice on its website pursuant to section 102C(3) of the *Radiocommunications Act 1992 (Cth)* (**Radiocommunications Act**) inviting applications from eligible joint venture companies (**JVCs**) in relation to issue of a foundation category 1 digital radio multiplex transmitter licence for the Gold Coast RA1 BSA radio licence area (**Category 1 DRMT Licence**).

**Purpose of this invitation**

Gold Coast FM Pty Ltd ACN 057 872 723, the holder of commercial radio broadcast service licence 4173 (**Gold Coast FM**) intends to act as the promoter of the JVC for the purposes of section 102C of the Radiocommunications Act.

To this end, we invite your organisation, as an incumbent digital commercial radio broadcasting licensee or the digital community radio broadcasting representative company in the Gold Coast RA1 BSA radio licence area, to participate in the establishment of a JVC in that licence area by subscribing for shares.

In accordance with section 102C(5) of the Radiocommunications Act, this invitation will remain open from the date of this invitation until whichever of the following dates is applicable:

- the date that is **80 days** after the date of this invitation (i.e. until 7 May 2021); or
- if all invitees respond to this invitation within the above period, the last date on which Gold Coast FM receives a response to this invitation.

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Once this invitation expires, Gold Coast FM and any eligible party that has accepted and taken the relevant steps contemplated in this invitation will proceed to establish a joint venture company to be called **Digital Radio Broadcasting Gold Coast Pty Ltd**. In that case:

- Gold Coast FM and the incumbent digital commercial radio broadcasting licensees that accepted the invitation would be issued with an equal number of shares;
- assuming the invitation were to be accepted by each invitee:
  - the incumbent digital commercial radio broadcasting licensees will, in aggregate, hold seven-ninths of the shares in the JVC; and
  - the digital community radio broadcasting representative company will hold two-ninths of the shares in the JVC.

If any eligible party does not accept this invitation to subscribe for shares, those shares will be offered to those eligible parties that have accepted this offer on a proportional basis. For example, if only two incumbent digital commercial radio broadcasting licensees wish to subscribe for shares, each broadcaster will hold one-half of the shares in the JVC.

#### **Funding commitments**

Separately to any consideration payable through the subscription of shares in the JVC, each shareholder in the JVC will be required to accept the following financial commitments as a condition of its participation in the JVC:

- a financial commitment to pay the set up and rollout costs in relation to the digital radio multiplex infrastructure in the BSA radio licence area, in proportion to its shareholding;
- ongoing obligations to provide funding to the JVC in accordance with the budget and relevant business plan (if any), in proportion to its shareholding;
- to provide any other funding that may be required from time to time, including by way of subscribing for additional shares in the JVC, making loans to the JVC, or any other funding mechanism determined by the Board.

We will develop an initial business plan and cost base for the JVC, which will provide an indicative estimate of the set up and rollout of the multiplex infrastructure in the BSA radio licence area.

We will be able to provide this information to eligible incumbent digital commercial radio broadcasting licensees and the digital community radio broadcasting representative company shortly after the date of this invitation. Subject to appropriate confidentiality arrangements, our intention is to provide cost information on an open book basis and to develop our business case in an iterative and collaborative manner with other prospective shareholders in the JVC.

As part of this process, we will also provide an indicative estimate of the access fees that will be payable for access to multiplex capacity in the Gold Coast RA1 BSA radio licence area (discussed further below).

These access fees will initially be calculated based on the regulatory pricing principles that have previously been accepted by the Australian Competition & Consumer Commission

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(ACCC) in relation to digital radio multiplex capacity services in the Canberra, Darwin and Hobart areas. However, the final level of access fees will need to be determined closer to the digital radio start up day by reference to the terms of our own digital radio access undertaking, which will need to be approved by the ACCC.

**Constitution and Shareholders Agreement**

We have developed a Company Constitution and Shareholders Agreement for the JVC.

**Capacity access entitlements, regardless of whether the holders of those entitlements are members of the JVC**

If an incumbent digital commercial radio broadcasting licensee or the digital community radio broadcasting representative company does not subscribe for shares in the JVC, the relevant commercial or community broadcasters may still acquire access to the digital radio multiplex capacity services pursuant to the ACCC approved access undertaking.

Those entities, as standalone access seekers, will not be entitled to play a role in the management and investment decisions of the JVC, which will be limited to access seekers that are also shareholders.

**Next steps**

If you are interested in becoming a shareholder in the JVC and satisfy the eligibility criteria, please confirm your willingness to participate by completing and returning the form set out in **Annexure A**.

We will make draft versions of the Company Constitution and Shareholders Agreement available to you on request. Details of our initial business plan and cost information for the JVC will be available shortly after the date of this invitation. Please note that we may require you to enter into a short form non-disclosure agreement prior to provision of such information.

Please don't hesitate to contact me if you have any questions.

Yours sincerely



Tony Hudson  
Company Secretary  
**Gold Coast FM Pty Ltd**  
ACN 057 872 723

**Copy to:**

Linda Caruso  
General Manager  
Communications Infrastructure Division  
Australian Communications and Media Authority  
Level 5, The Bay Centre  
65 Pirrama Road  
Pyrmont NSW 2009

**ANNEXURE A**  
**APPLICATION TO BECOME A MEMBER OF AND SUBSCRIBE FOR SHARES IN**  
**DIGITAL RADIO BROADCASTING GOLD COAST PTY LTD**

**To:** Tony Hudson  
 Company Secretary  
 Gold Coast FM Pty Ltd  
 Level 2, 257 Clarendon Street  
 South Melbourne VIC 3205  
[Companysecretary@sca.com.au](mailto:Companysecretary@sca.com.au)

**Applicant's details:**

Type of applicant

Incumbent digital commercial radio broadcasting licensee	
Digital community radio broadcasting representative company	

<b>Company name:</b>	
<b>ACN:</b>	
<b>Registered office:</b>	
<b>Contact person:</b>	Name: Title: Email: Telephone:

**Application:**

The Applicant applies to become a member of the Gold Coast JV Company (the **Company**) on the basis:

- contemplated under section 102((5) of the Radiocommunications Act 1992 (Cth); and
- otherwise set out in the letter dated 15 February 2021 from Gold Coast FM Pty Ltd, to the extent consistent with the provisions of section 102C of the Radiocommunications Act 1992).

Date:

Signed for and on behalf of the Applicant in )  
 accordance with section 127 of the )  
 Corporations Act. )

.....  
 Director

.....  
 Director / Secretary

.....  
 Name

.....  
 Name