

11 March 2021

4CAB
Juice Media Ltd
23 / 60 Seaworld Drive
Main Beach QLD 4217

4CRB
Gold Coast Christian & Community Broadcasting Association Ltd
8 Stevenson Court
Burleigh Heads, QLD 4220

4MET
Radio Metro Ltd
Unit 30, Block 4 'Pegasus Centre'
42 Bundall Road
Bundall QLD 4217

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

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

The Gold Coast 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 Gold Coast DR Company.

Please note that **only** Incumbent Community Broadcasters are entitled to subscribe for shares and become members of the Gold Coast DR Company on its incorporation.

1. Reason for establishment of the Gold Coast 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 statement under subsection 9C(1)(b) of the Radcoms Act that the paragraph apply to the Gold Coast DR Company.

Following that, it is intended that the Gold Coast DR Company will consider whether to accept an invitation to subscribe for shares in and become a member of one or more eligible joint venture companies being formed for the purposes of sub-section 102C(5) of the Radcoms Act (**Gold Coast JV Company**) by digital radio commercial broadcasting licensee Gold Coast FM Pty Ltd (Gold Coast FM), as promoter. The Gold Coast JV Company is being formed to apply for a foundation category 1 digital radio multiplex transmitter licence for the Gold Coast RA1 BSA radio licence area (**Category 1 DRMT Licence**).

Subsection 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 licence area may become members of the Gold Coast JV Company in the Gold Coast RA1 BSA radio licence area.

On 15 January 2021 ACMA issued an invitation for an “**eligible joint venture company**” to apply for a Category 1 DRMT Licence. 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 120 days, from 15 January 2021.

On 15 February 2021, Gold Coast FM issued an invitation to eligible licensees (including the digital community radio broadcasting representative company) for the Gold Coast BSA radio licence area to join the Gold Coast JV Company. The invitation was published on ACMA’s website on 15 February 2021 and will be open for at least 80 days from 15 February 2021.

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

It is required that this invitation to Incumbent Community Broadcasters remain open for 60 days beginning on the date on which it is first published on ACMA’s website.

It is intended that the Gold Coast DR Company will be formed during or 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 Gold Coast DR Company.

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 Gold Coast DR Company. However, soon after the establishment of the Gold Coast DR Company and once the funding requirements of the Gold Coast JV Company is known, all members will be called on to provide further funding (please see section 3 below) should they determine that the Gold Coast DR Company will take up shares in the Gold Coast JV Company.

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

As noted above, following incorporation it is intended that the Gold Coast DR Company shall consider and determine whether to accept Gold Coast FM's invitation to subscribe for shares in and become a member of the Gold Coast JV Company.

3. Indicative Capital costs for Canberra DR Company members

In order to assist in making the decision on joining the Gold Coast DR Company, the Community Broadcasting Association of Australia will develop an indicative infrastructure cost for each Gold Coast DR Company member. These figures will be determined having regard to the indicative infrastructure cost for the Gold Coast DR Company's share of funding for the Gold Coast JV Company as set out in the invitation received from Gold Coast FM by the Community Broadcasting Association of Australia.

in that invitation, Gold Coast FM has indicated in that in addition to any amount paid for the initial subscription for shares, members of the Gold Coast JV Company will have the following additional financial commitments to the Gold Coast JV Company:

- contribution for the set up and rollout costs in relation to the digital radio multiplex infrastructure in the BSA radio licence area;
- ongoing obligations to provide funding to the Gold Coast JV Company in accordance with the budget and relevant business plan (if any); and
- to provide any other funding that may be required from time to time, including by way of the acquisition of new shares issued, or any other funding mechanism determined by the Board,

in proportion to its shareholding.

The details have not been provided at the date of this invitation. Gold Coast FM has indicated that it will develop an initial business plan and cost base for the Gold Coast JV Company, which will provide an indicative estimate of the set up and rollout of the multiplex infrastructure in the BSA radio licence area.

Once this information is available, CBAA will make it available to you for your consideration in relation to your consideration of this invitation to become a member of the Gold Coast DR Company.

4. Membership is voluntary

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

Whether or not you subscribe for shares and become a member of the Gold Coast DR Company, you will have rights to access capacity as an “*access seeker*” pursuant to section 118NR of the Radcoms Act. Incumbent Community Broadcasters will have access to 2/9th of the foundation multiplex capacity by way of nominations made by the Gold Coast DR Company under that section of the Radcoms Act. This means you will still have the statutory right to obtain access to the Gold Coast digital radio multiplex in order to provide digital community radio broadcasting services when digital radio broadcasting commences, even if you do not become a member of the Gold Coast DR Company.

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

5. Activities of the proposed company

Pursuant to sub-section 9C(1)(k) of the Radcoms Act, the activities of a Gold Coast 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 Gold Coast area; and
- Exercising the powers conferred by the Radcoms Act on a digital community radio broadcasting representative company, including making capacity nominations for Incumbent Community Broadcasters pursuant to section 118NR of the Radcoms Act.

6. Share issue

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

Members of the Gold Coast DR Company will be required to subscribe for further shares when the further funding requirements are confirmed; it is expected this will occur once Gold Coast FM or the Gold Coast JV Company has determined the final capital contribution requirements for the Gold Coast JV Company and notified the Community Broadcasting Association of Australia (as promoter of the Gold Coast DR Company) or the Gold Coast DR 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 Gold Coast DR Company, you may do so via the consent form attached to this letter.

Each member of a Gold Coast 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 email details for CBAA are listed on the forms.

Please do not hesitate to contact Kath Letch, CBAA Digital Radio Project Manager, if you have any questions in relation to this invitation.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jon Bisset', with a stylized flourish at the end.

Jon Bisset
Chief Executive Officer

**Community Digital Radio (Gold Coast) Pty Limited
(Company)**

Application for allotment and issue of shares

To: Ms Kath Letch, CBAA DR Project Manager, email: drp@cbaa.org.au

_____ of
(Name and ABN of Digital Community Broadcaster)

(Address)

applies to become a member of the company and for the allotment and issue to the Applicant of the following shares in the capital of the Company on the basis contemplated by section 9C of the of the *Radiocommunications Act 1992* and otherwise as set out in the letter from the Community Broadcasting Association of Australia dated 11 March 2021 (to the extent consistent with the provisions of section 9C of the *Radiocommunications Act 1992*:

Number of shares:	250
Class of shares:	Ordinary
Amount payable:	250

The Applicant consents to becoming a member of the Company and agrees to be bound by the constitution of the Company.

The Applicant represents and warrants that it is a 'Qualified Person'¹ within the meaning given to that term in the constitution of the Company

On registration the Applicant will hold the shares beneficially.

Date signed:

Signed for and on behalf of

(Name and ABN of Digital Community
Broadcaster)
by its authorised representative in the presence of

Signature of witness

Name of witness (print)

Signature of authorised representative

Name of authorised representative

Position of authorised representative

¹ A 'Qualified Person' is defined as a Digital Community Radio Broadcasting Licensee whose BSA Licence Area is the same as the Designated BSA Radio Area.