

1988

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

RADIO LICENCE FEES (NATIONAL METROPOLITAN RADIO PLAN) BILL 1988

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Transport and Communications, the Hon. Ralph Willis MP).



## OUTLINE

The Bill formally imposes the obligation to pay the fee on conversion from AM to FM broadcasting by large city commercial radio licensees (Brisbane, Sydney, Melbourne, Adelaide, Perth), determined in accordance with the tender process introduced in the Broadcasting (National Metropolitan Radio Plan) Bill 1988.

It is purely a machinery Bill and all the relevant policy elements are covered by the accompanying Broadcasting Bill.

## FINANCIAL IMPACT STATEMENT

The first stage of the National Plan, implemented in the Bill and the accompanying Broadcasting (National Metropolitan Radio Plan) Bill 1988, is expected to produce net revenue of \$79.9m over the five years from 1988-89 to 1992-93, with an on-going annual additional cost of \$0.2m. This comprises revenue from tendering for AM/FM conversion, partially offset by the costs of retaining vacated AM sites and facilities for Parliamentary and Radio for the Print Handicapped Networks and some small additional capital and recurrent outlays:

- . A \$0.6m capital grant will be provided in 1990-91 for the establishment of FM RPH stations in Canberra and Hobart.
- . Recurrent outlays are provided for in the Appropriation Bills:

	Cost per annum \$m
. RPH subsidies -	
- additional cost of maintaining AM rather than FM facilities	0.1
- increased grant-in-aid (from \$25,000 pa to \$125,000)	0.1
. Departmental administration expenses	0.4 (1988-89 only)
	0.1 (1989-90 only)

## NOTES ON CLAUSES

### Clause 1: Short Title etc

Formal. 'Principal Act' means the Radio Licence Fees Act 1964.

### Clause 2: Commencement

The provisions of the Bill will commence on the day on which the Bill receives Royal assent.

### Clause 3: Amendments to Principal Act

Inserts proposed section 6C into the Principal Act.

### Proposed section 6C: Fee in respect of licence on conversion from AM to FM as part of the National Metropolitan Radio Plan

Provides that, where the Minister converts a licence from AM to FM pursuant to an application under section 89DAE of the Broadcasting Act, a fee is payable which is equal to the amount of the licensee's bid (under paragraph 89DAE(2)(c) of the Broadcasting Act) minus the value of the transmission facilities (see paragraph 89DAE(2)(f) of the Broadcasting Act): proposed subsection (1).

The deposit paid by the licensee upon application is to be set off against its liability to pay the fee: proposed subsection (2).