

1987

THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

SENATE

TELEVISION LICENCE FEES AMENDMENT BILL (NO. 3) 1987

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Transport and
Communications, Senator the Hon. Gareth Evans QC)

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OUTLINE

The Television Licence Fees Amendment Bill (No.3) 1987 amends the Television Licence Fees Act 1964 to impose a new annual licence fee scale which will take effect from 1 January 1988. Under the existing fee scale the top fee rate is 8.0% of annual gross earnings (AGE) at \$48.3m and over. The new scale of fees adds two new fee ranges to the scale so that the following rates will apply (with the percentages paid increasing progressively through each range):

AGE	-	percentage of AGE
\$45m	-	7.9%
\$75m	-	8.8%
\$100m and over	-	9.0%

The Bill also provides that the new fee scale which it introduces will apply to old system licences.

FINANCIAL IMPACT STATEMENT

These measures are expected to raise \$4.8 million in the current financial year, \$5.7 million in 1988-89 and \$6.4 million in 1989-90. Total revenue from television licence fees is estimated at \$79.5 million in 1987-88 an increase of 17.1% on 1986-87. Most of the increase reflects assumed increases in stations' earnings.

NOTES ON CLAUSES

Clauses 1 and 2: Short title etc. and commencement

The first two clauses provide for the short title and commencement of the legislation. The Television Licence Fees Amendment Act (No 3) 1987 will come into operation on the day it receives the Royal Assent. "Principal Act" is defined to mean the Television Licence Fees Act 1964.

Clause 3: Amount of fees

Paragraph (a) of clause 4: formal.

Paragraph (b) of clause 4: omits the existing paragraph 6(2A)(g) and substitutes a new paragraph (g) and a paragraph (h). The two new paragraphs represent two new formulae for the calculation of the 'relevant percentage' of gross earnings to be paid annually by commercial television licensees as licence fees under subsection 6(2) of the Principal Act. The effect of the insertion of the new formulae will be to increase the maximum rate of licence fees payable by commercial television licensees from the current maximum of 8% of annual gross earnings, in the case of a licensee with annual gross earnings above \$48.3 million, in one step to 9% of annual gross earnings at \$100 million or more.

Clause 4: Change of accounting period - effect on fees payable

These proposed changes to the formulae in section 6A of the Principal Act reflect the proposed amendments of section 6 explained in the note on clause 3.

Clause 5: Amendments of the Television Stations Licence Fees Act 1964 as in force immediately before 1 January 1986 for the purposes of its continued application to old system licences.

Subclause 5(1) provides that clauses 3 and 4 apply in relation to the Television Stations Licence Fees Act 1964 as in force immediately before 1 January 1986 as if references in the clauses were references to that Act. The effect of the provision is to make the new fees contained in clauses 3 and 4 applicable to old system licences.

Subclause 5(2): formal.

Clause 6: Application

Clause 6 provides that the new licence fee scales which are to be introduced under clauses 3, 4 and 5 will apply in relation to a licence where the 'due date' for fees (as defined in section 123A of the Broadcasting Act 1942 and section 106AA of the Broadcasting and Television Act 1942 (as in force immediately before 1 January 1986) in relation to the licence occurs on or after 1 January 1988.