

1984

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

TELEVISION STATIONS LICENCE FEES AMENDMENT BILL 1984

EXPLANATORY MEMORANDUM

(Circulated by the authority of the  
Minister for Communications,  
The Hon. Michael Duffy MP)



## OUTLINE

The Television Stations Licence Fees Amendment Bill 1984 (the Bill) will provide a method for calculating total licence fees payable when one or more commercial television station licensees are licensed to operate a supplementary television service.

The Bill provides for aggregation of the gross earnings of a commercial television station and the related supplementary television service for the purpose of calculating fees. When a supplementary service is operated by a consortium of commercial station licensees, the Bill provides for the aggregation of the earnings of each commercial station with an appropriate share of the earnings of the supplementary service.

Aggregation of earnings could result in a marginal increase in fees collected. Fees are based on a progressive scale and increases in gross earnings result in a stepped increase in the rate of fees charged. However, it is not possible at this time to provide a realistic estimate of the extra revenue which may be obtained, as it is not known how many supplementary licences will be granted, nor the effect on total revenue of a commercial station and the related supplementary service.

## NOTES ON CLAUSES

### Clauses 1 and 2

1. The first two clauses provide for the short title and commencement of the legislation. The Bill will come into effect on the day it receives Royal Assent.

### Clause 3 - Interpretation

2. The definitions of "gross earnings" and "licence" in section 4 of the principal Act are amended to apply expressly to supplementary television services.

### Clause 4 - Amount of fees

3. When a commercial station licensee is also the holder of a licence for a supplementary service, the effect of the new subsection (6) is to deem references to "gross earnings" in the formula for calculating licence fees to mean the sum of the gross earnings of the commercial station and the supplementary service.
4. Where a licence for a supplementary service is held by a consortium of commercial station licensees, the effect of the new subsection (7) is to deem references to the gross earnings of a supplementary service in the new subsection (6) to mean the share of those earnings attributable to an individual licensee. This is achieved by deeming the proportion of gross earnings attributable to a member of a consortium to be the proportion of profits of the supplementary service to which the member is entitled.

### Clause 5 - Repeal

5. Section 8 of the principal Act, which deems the Act to apply to supplementary licences, is repealed. The section is made obsolete by the amendments in this Bill which make express provision for supplementary services.