To amend the Broadcasting Stations Licence Fees Act 1964 (The Principal Act) in order to change the basis on which licence fees were levied for supplementary licences.

Background

Amendments made in 1981 and 1982 to the Principal Act provided for licence fees for supplementary licences to be calculated on the same basis as if they were independent licences in their own right. This could have made it possible in some cases for the operator of a highly profitable principal radio station to "cache" some of the revenues in the trading figures for his supplementary service, thus bringing his earnings into a lower bracket and becoming eligible for a lower rate of licence fee than he would otherwise be required to pay. The present Bill aims to prevent such abuses by substituting a single licence fee for both services, based on the aggregate revenues of both services.

Outline of Provisions

Clause 3 extends the definitions of "gross earnings" and "licence" to cover supplementary licences.

Clause 4, paragraph (b) provides for the calculation of "gross earnings" of the licensee to include gross earnings on both the principal and the supplementary service. Where the licence is held by a consortium of licensees, the earnings are to be deemed to be attributable to each member of the consortium in proportion to the share of profits to which each is entitled under the consortium agreement.