Date Introduced: 21 October 1981
House: House of Representatives
Presented by: Rt. Hon. I.M. Sinclair, M.P., Minister for Communications

Short Digest of Bill

Purpose
To amend the Broadcasting Stations Licence Fees Act 1964 to:

a) raise the fee on initial grant of licence;

b) remove the lump sum component of the annual fee; and

c) change the schedule used in calculating the sliding component of the annual fee;

d) to impose an upper limit on the percentage of projected gross income used to calculate the fee.

Background

Proposals to increase fees for broadcasting stations were initially announced in 1979, but have not been introduced until this year. This is the second Bill which has been introduced this year, and differs from the first by imposing an upper limit on the scale of charges.

The Bill changes the method of determining fees paid by individual stations from the present method whereby a $200 lump sum plus a percentage of gross earnings are paid, to an assessment based on a graduated scale solely according to gross earnings. Fees are calculated on a sliding scale of projected gross earnings up to $7 million. Stations are then levied at the "upper limit" rate of 5 per cent of gross earnings. The latter is the only change between the first and second Bills introduced to amend the Act.

Licensees with low gross earnings will pay less than under the existing schedule and this is estimated to benefit 120 of the 130 commercial broadcasting stations.
Main Provisions

Clause 3 of the Bill amends section 6 of the Principal Act. Sub-section 6(1) is amended to change the amount payable on the initial granting of a licence from two hundred dollars to five hundred dollars. Sub-section 6(2) of these Acts currently provides for an initial fee of two hundred dollars payable on the annual renewal of a licence and details a scale of additional fees based upon gross earnings. This sub-section is to be replaced with new sub-section 6(2) in which the two hundred dollar lump sum component of the annual renewal fee is abolished. Annual licence renewal fees are to be calculated solely on a progressive sliding scale dependent upon the station's gross earnings subject to an upper limit of earnings in excess of $7 million. From this point fees are calculated at 5 per cent of projected gross earnings.

For further information, if required, contact:

Finance, Industries, Trade & Development Group

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LEGISLATIVE RESEARCH SERVICE