

Question on Notice

Senate Committee Hearing (Personal choice and community impacts) – Friday 22 April 2016

Question: How do these costs (for the X licence) get to be so high?

It is my understanding that the Eros Association was consulted and asked to make recommendations of the base fee. This consultation was done with Kate Carnell, who was the ACT Chief Minister at the time. That recommendation made by the Eros Association in 1995 (then the Eros Foundation) was \$5,000 for an X Licence. This fee was considerate on legal businesses operating within industry guidelines and to prevent 'cowboys' from coming into the industry. That is, the substantiated fee (that was recommended) was high enough to ensure that scammers and people outside of the industry wouldn't be encouraged however still reasonable for legal, reputable businesses that wanted to work within the parameters of the law. At the time, the industry accepted this recommendation as a reasonable fee as it was a profitable market. Further, those in the industry felt that this was an opportunity to legitimise their trade.

Those recommendations where not accepted, instead the initial fee for a X Licence started at \$10,000 and was enacted by the former ACT Attorney-General, Gary Humphries.

From there, the increase of fees has been in line with the rise of the CPI. This however does not reflect the marketplace as it is just not viable for businesses to pay this fee. There is simply not the return.

Although the industry felt the initial licencing fee was acceptable due to the profitable market of X-Rated titles, the current pricing structure is not reflective of the massive decline the market has experienced. Sales for X-Rated titles has fallen by roughly 80% and those still remaining in the industry felt that the licencing fee should have reduced in line with this decline.

Currently the fees stand at:

To COPY: \$15,840

To SELL: \$15,840

To COPY and SELL: \$31,681

Written by: Rachel Payne, General Manager Eros Association.