

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS  
ATTORNEY-GENERAL'S PORTFOLIO

**Group: 2**

**Program: 1.4**

**Question No. BE15/041**

**Senator Collins asked the following question at the hearing on 27 and 28 May 2015:**

Dr Smrdel: The fee structure that we are implementing for the Federal Court will remove some of the fee categories that were present. Previously in place was the public authorities category, which had entities such as the tax office paying the corporations rate. There was also a separate category for publicly listed companies which had publicly listed companies paying a greater fee, about 50 per cent more, than the standard corporations rate. So the changes will mean that the publicly listed companies level will be removed so that publicly listed companies will be paying the corporations rate like all other corporations. Also, public authorities, such as the tax office, will now no longer be paying the corporations rate. They will be paying the other rate, which is the same rate that applies to individuals and small businesses.

Senator JACINTA COLLINS: Can you break that up into the fiscal impact?

Mr Fredericks: I think I can assist with that one. I am only repeating evidence that I gave yesterday, but that evidence is as follows—

Senator JACINTA COLLINS: Sorry, where did you give this evidence yesterday?

Mr Fredericks: In estimates in group 2.

Senator JACINTA COLLINS: What was that under?

Mr Fredericks: I think Senator O'Sullivan asked questions—

Senator O'SULLIVAN: Just at the end of it.

Mr Fredericks: I am very happy to repeat it. It directly answers your question. The change which effectively has been reversed came into effect on 1 January 2014. In the year before that fee increase occurred, the Federal Court collected \$24.6 million in revenue. In the year after that fee increase occurred—that is, 2014—the Federal Court collected \$12.8 million in revenue. So there was a 48 per cent decrease in revenue as a consequence of that increase in that corporate fee and as a result of the Australian tax office moving its corporations work out of the Federal Court consequently.

Senator JACINTA COLLINS: Yes, that is helpful, but I was actually asking if you could give me the information broken up into the two measures.

Mr Fredericks: We would have to take that on notice.

**The answer to the honourable senator's question is as follows:**

The measure to largely return general federal law fees in the Federal Court of Australia and the Federal Circuit Court of Australia to their former two tier structure, as of 1 July 2015, is forecast to increase general federal law fee revenue by approximately \$11.2 million over the forward estimates. This forecasted amount excludes the impact of the subsequent 10 per cent fee increase for most fee categories. Data collected by the Federal Court cannot be disaggregated to enable the estimated revenue impact to be accurately split between the two parts of this measure – that is, removing the publicly listed company fee category and removing public authorities from the definition of corporation for most matters.