



CALCULATING YOUR SALES FIGURE FOR YOUR AUSTRALIAN MADE LOGO LICENCE

Until now, licence fees have been based on your **estimated** sales of your licensed products for the year ahead.

From 1 July 2014, licence fees will be based on **actual** sales of licensed products for the previous 12 months.

If the products have not been on the market for a full year, the fee will have to be based on an estimate.

If you don't have your final figures for the previous year to hand, you may use your best estimate of what that final figure will be.

See the examples below for how to calculate the sales figure in different circumstances.

Please remember: only include sales of your licensed products. If you have products which don't carry the logo, sales of such products are not included in any calculation of the licence fee.

EXAMPLES OF LICENCE FEE CALCULATION

(Applies to all new applications or renewals done after 1 July 2014)

IF YOU ARE APPLYING FOR A NEW LICENCE:

Example 1: New licence – established products

- The products proposed to be registered have been on the market for a year or more and sales for the last 12 months amounted to \$600,000. The licence fee is based on turnover of \$600,000.
- The products have been on the market for less than 12 months. Estimated sales for these products over the next 12 months is \$800,000. The licence fee will be based on turnover of \$800,000.

Example 2: New licence – new products

The products on the licence application have just gone on the market or are about to be launched. Budgeted sales for the products for the next 12 months is \$250,000. The licence fee will be based on turnover of \$250,000.

Example 3: New licence - using logo on segment of sales only

Your company has a range of products which you want to licence to carry the logo. You only want to use the logo on exported product, not on domestic sales. Total sales for the products for the year amounted to \$5 million. Export sales accounted for \$2 million. The licence fee is based on turnover of \$2 million.

IF YOU ARE RENEWING YOUR LICENCE OR ADDING PRODUCTS:

Example 4: Licence renewal – no changes to registered products

The licence expires on 31 December 2014. Sales of all registered products during the period 1 January 2014 to 31 December 2014 came to \$1 million. The renewal fee will be based on \$1 million turnover.

Example 5: Licence renewal – deleted products

The licence expires on 30 June 2013. Sales of all registered products during the period 1 July 2012 to 30 June 2013 came to \$750,000. However, the company is no longer selling some of its registered products, the sales of which totalled \$100,000 during the previous period. The renewal fee will be based on turnover of \$650,000 (the sales of the products remaining on the product list).

Example 6: Licence renewal – added products

The licence expires on 31 October 2014. Sales of all registered products during the period 1 November 2013 to 31 October 2014 came to \$1 million. The company applies to use the logo on five additional products as part of their renewal.

- The new products have been on the market for a year or more. Sales for 1 November 2013 to 31 October 2014 came to \$400,000. The renewal fee for all registered products will be based on turnover of \$1,400,000.
- The new products have been on the market for less than 12 months (including products which have just been or are about to be placed on the market). Estimated sales for these new products over the next 12 months is \$300,000. The renewal fee for all registered products will be based on turnover of \$1,300,000.

Example 7: Licence renewal - mix of imported and Australian products

Your company has a range of products which are made or grown in Australia and are registered to carry the logo. You also have a range of imported products. Total sales for the company for the year amount to \$5 million. Sales of products registered to carry the logo total \$2 million. The licence fee is based on turnover of \$2 million.

Example 8: Existing licence – new products added part way through licence period

The licence expires 30 April 2016. A number of products have already been registered with a declared turnover of \$500,000. In September 2015, you add 3 new products. Budgeted turnover for these products over the next 12 months is \$240,000. The pro-rata figure for September to April is \$160,000.

The additional fee payable is the fee payable on the new combined turnover of \$660,000 (\$500,000 original figure plus \$160,000 pro rata new sales), minus the fee already paid. Confused? Call us on 1800 350 520 and we will help you work it out.