

EXPLANATORY STATEMENT

Telecommunications (Carrier Licence Charges) Act 1997

DETERMINATION UNDER PARAGRAPH 15(1)(d) No. 1 of 2011

Issued by authority of the Minister for Broadband,
Communications and the Digital Economy

The *Telecommunications (Carrier Licence Charges) Act 1997* (the Act) sets out the method of calculating annual charges that apply to the carrier licences held by telecommunications carriers. Subsection 15(1) of the Act provides that the total of the annual charges that are imposed on carrier licences in force at the beginning of the year must not exceed the sum of:

- (a) the amount determined, by a written instrument made by the Australian Communications and Media Authority (ACMA), to be the proportion of the ACMA's costs for the immediately preceding financial year that is attributable to the ACMA's telecommunications functions and powers; and
- (b) the amount determined, by a written instrument made by the Australian Competition and Consumer Commission (ACCC), to be the proportion of the ACCC's costs for the immediately preceding financial year that is attributable to the ACCC's telecommunications functions and powers; and
- (c) the amount determined, by a written instrument made by the ACMA, to be the proportion of the Commonwealth's contribution to the budget of the International Telecommunication Union for the calendar year in which the beginning of the financial year occurs that is to be recovered from carriers; and
- (ca) the amount determined, by a written determination made by the ACMA, to be the sum of the amounts paid under section 136C of the *Telecommunications Act 1997* during the immediately preceding financial year; and
- (d) the amount determined, in a written instrument made by the Minister, to be the estimated total amount of grants likely to be made during the financial year under section 593 of the *Telecommunications Act 1997* (discussed below).

The accompanying instrument only addresses the amount outlined in paragraph (d). Determinations outlined in paragraphs (a) to (ca) will be made by the ACMA and the ACCC, and separate explanatory statements submitted by those agencies will accompany those determinations.

Section 593 of the *Telecommunications Act 1997* provides that the Minister may, on behalf of the Commonwealth, make a grant of financial assistance to:

- a consumer body for purposes in connection with the representation of the interests of consumers in relation to telecommunications issues; and
- a person or body for purposes in connection with research into the social, economic, environmental or technological implications of developments relating to telecommunications.

The accompanying determination has been made for the purposes of paragraph 15(1)(d) of the Act. The determination provides that \$2 032 000 is the amount estimated to be the amount of grants likely to be made during the 2010-2011 financial year under section 593 of the *Telecommunications Act 1997*.

Subsection 15(2) of the Act provides that an instrument under subsection (1) is a legislative instrument for the purposes of the *Legislative Instruments Act 2003* (LIA). It must therefore be tabled in the Parliament and is subject to Parliamentary disallowance.

Consultation on the instrument was considered unnecessary because the instrument is of a minor or machinery nature and does not substantially alter existing arrangements (see paragraph 18(2)(a) of the LIA).