Australian Communications Authority (Advice about Universal Service Subsidies) Direction (No. 1) 2004

I, HELEN LLOYD COONAN, Minister for Communications, Information Technology and the Arts, make the following Direction under subsection 16A(1) of the Telecommunications (Consumer Protection and Service Standards) Act 1999.

Dated 30 August 2004.

HELEN COONAN
Minister for Communications, Information Technology and the Arts

1 Name of Direction
This Direction is the Australian Communications Authority (Advice about Universal Service Subsidies) Direction (No. 1) 2004.

2 Definitions
In this Direction:

ACA means the Australian Communications Authority.


arrangements for the fulfilment of the universal service obligation means the arrangements set out in section 11 of the Act.

contestable universal service area means a universal service area in which the service obligation referred to in paragraph 9(1)(a) of the Act has been determined to be contestable under section 11C of the Act.

Extended Zones universal service area means the universal service area notified as the universal service area of the Extended Zones in the Notice of

**Minister** means the Minister for Communications, Information Technology and the Arts.

**relevant claim periods** mean:

(a) the 2005-2006 financial year; and

(b) the 2006-2007 financial year; and

(c) the 2007-2008 financial year.

**standard area** means:

(a) in relation to the service obligation referred to in paragraph 9(1)(a) of the Act, that part of Australia which is not part of:
   (i) the Extended Zones universal service area; or
   (ii) a universal service area under the *Universal Service Areas Determination (No.1) 2001* (as varied by the *Universal Service Areas Determination (No.1) 2001 (Amendment No.1 of 2001)*); and

(b) in relation to the service obligation referred to in paragraph 9(1)(b) of the Act, that part of Australia which is not part of the Extended Zones universal service area.

**universal service area** has the same meaning as in section 9G of the Act.

**USO** means the universal service obligation referred to in section 9 of the Act.

**USO contestability pilot area** means an area specified as a pilot area in the *Pilot Areas Determination (No.1) 2001* made by the Minister on 11 April 2001 and published in the *Commonwealth of Australia Gazette* on 26 April 2001.

**USO subsidy** means the universal service subsidy referred to in section 16 of the Act.

### 3 Direction

(1) The ACA must provide advice on USO subsidies for the relevant claim periods in respect of the service obligation referred to in paragraph 9(1)(a) of the Act for:

(a) each of the two USO contestability pilot areas; and
(b) the Extended Zones universal service area; and
(c) the standard area; and
(d) all universal service areas taken together.

(2) The ACA must provide advice on USO subsidies for the relevant claim periods in respect of the service obligation referred to in paragraph 9(1)(b) of the Act for:

(a) the Extended Zones universal service area; and
(b) the standard area; and
(c) all universal service areas taken together.

(3) The ACA’s advice under subclauses (1) and (2) must include:

(a) lump sum subsidies for each universal service area comprising the two USO contestability pilots areas (paragraph (1)(a)); and
(b) alternative subsidy amounts for the standard area (paragraphs (1)(c) and (2)(b)) based on the assumption that:

(i) each universal service area comprising the two USO contestability pilot areas (paragraph (1)(a)); and

(ii) the Extended Zones universal service area (paragraphs (1)(b) and (2)(a));

were varied to become part of the standard area.

(4) The ACA’s advice should be based on the assumption that the arrangements for the fulfilment of the universal service obligation as at the date of this Direction will apply in the relevant claim periods.

(5) Before providing advice under subclauses (1) and (2), the ACA must seek the views of affected persons, as the ACA considers appropriate.

(6) In addition to USO subsidies, the ACA’s advice under subclauses (1) and (2) should provide details of:

(a) the ACA’s process for establishing the USO subsidies; and
(b) any consultations under subclause (5); and
(c) such other matters as the ACA considers appropriate.

(7) The ACA's advice under subclauses (1) and (2) must use the same or similar methodologies as were used to arrive at subsidies for the 2001-2002 to 2004-2005 financial years.

(8) The ACA’s advice under subclauses (1) and (2) is to be provided as soon as practicable but in any event no later than 31 December 2004.