EXPLANATORY STATEMENT

Issued by the Australian Communications and Media Authority

Radiocommunications (Receiver Licence Tax) Amendment Determination 2007 (No. 2)

Radiocommunications Act 1992

Legislative Provisions
Subsection 7 (1) of the Radiocommunications (Receiver Licence Tax) Act 1983 (the Act) provides that the Australian Communications Authority (ACA), now the Australian Communications and Media Authority (ACMA), may determine the amount of tax in respect of:

- the issue of a receiver licence;
- the anniversary of a receiver licence coming into force; and
- the holding of a receiver licence.

A Determination made under subsection 7 (1) of the Act is a disallowable instrument for the purposes of section 42 of the Legislative Instruments Act 2003.

The Radiocommunications (Receiver Licence Tax) Amendment Determination 2007 (No. 2) (“the Amendment Determination”) amends the Radiocommunications (Receiver Licence Tax) Determination 2003 (No. 2) (“the Determination”).

Background
Under the Radiocommunications Act 1992, ACMA is responsible for maintaining an efficient, equitable and transparent system of charging for the use of spectrum. The annual tax levied on apparatus licences has the dual function of encouraging efficient use of the spectrum and recovering the indirect costs of spectrum management.

The determination sets out different tax rates depending on the siting of the receiver. Tax rates are on a sliding scale with four fee levels:

- High density (Sydney, Melbourne and Brisbane);
- Medium density (Adelaide, Perth and Newcastle);
- Low density (regional areas); and
- Remote density (remote areas).

Purpose and Operation
The Amendment Determination amends the boundaries of the Western Australia low density radiofrequency spectrum area to move a section of the boundary 10 kilometres further to the south to:

- Reduce the size of the low density area; and
- Increase the size of the remote density area.

The amendments will result in a number of receivers, currently operating near New Norcia (160 kilometres north east of Perth), being charged licence taxes at the lower rate applicable to the remote area density area rather than that applicable to the low
density area. The amount of revenue collected from these licences will be lower by approximately $6,754.00 per year in total.

The amendment will also encourage licence holders in the Perth metropolitan area to relocate operations to the remote density area, releasing spectrum for use by other users in the Perth metropolitan area. The uptake of the released spectrum is likely to offset the reduction in revenue from the redrawing of the low density boundary.

**Impact of proposal**
ACMA has undertaken a preliminary assessment of the impact of the regulatory proposals on business, individuals and the economy in accordance with the requirements of the Office of Best Practice Regulation. As there was no direct or significant indirect impact on business, individuals or the economy, other than a reduction in licensing cost for some licensees, a Regulation Impact Statement was not required.

**Consultation**
In respect of the density boundaries, ACMA consulted with relevant licence holders currently operating in the Perth metropolitan area, who expressed an interest in relocating services to the remote density area.

**Determination Details**
Details of the Amendment Determination are in Attachment 1.
ATTACHMENT 1

Notes on the instrument

Section 1 Name of Determination

Section 1 provides for the name of Determination.

Section 2 Commencement

Section 2 provides that the Determination commenced on the day after it was registered.

Section 3 Amendment of Radiocommunications (Receiver Licence Tax) Determination 2003 (No. 2)

Section 3 provides that Schedule 1 amended the Radiocommunications (Receiver Licence Tax) Determination 2003 (No. 2).

Schedule 1 Amendment (section 3)

[1] Schedule 1, subparagraphs (b) (vi) and (vii)

Item 1 Substitutes the subparagraphs

(vi) proceeding in a straight line to easting 595369 and northing 6559624 of the Grid; and
(vii) proceeding in a straight line to easting 404620 and northing 6559624 of the Grid; and

to move part of the low density area boundary 10 km further south thereby reducing the size of the low density area and increasing the size of the remote density area.