

# Commonwealth of Australia

*Telecommunications (Consumer Protection and Service Standards) Act 1999*

## **Australian Communications Authority (Advice about Universal Service Subsidies) Direction (No. 1) 2002**

I, RICHARD KENNETH ROBERT ALSTON, 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 13 May 2002.

**RICHARD ALSTON**

Minister for Communications, Information Technology and the Arts

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### **1 Name of Direction**

This Direction is the *Australian Communications Authority (Advice about Universal Service Subsidies) Direction (No. 1) 2002*.

### **2 Definitions**

In this Direction:

**ACA** means the Australian Communications Authority.

**Act** means the *Telecommunications (Consumer Protection and Service Standards) Act 1999*.

**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 the Primary Universal Service Provider for the Extended Zones of Australia published in the *Commonwealth of Australia Gazette* of 25 July 2001.

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

**relevant claim period** means the 2004-2005 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 period 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's advice under paragraph (1)(a) must include lump sum and per service subsidies for each contestable universal service area comprising each of the USO contestability pilots areas.
- (3) The ACA must provide advice on USO subsidies for the relevant claim period 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.
- (4) The ACA must use a process the ACA considers reasonable to work out the USO subsidies in its advice.
- (5) 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 period. This does, not, however, prevent the ACA from considering other possible arrangements if it considers it appropriate to do so.
- (6) Before providing advice under subclauses (1) and (3), the ACA must seek the views of all carriers, and such other persons as the ACA considers appropriate, to determine their views of, and support for, the USO subsidies in its advice.
- (7) In addition to USO subsidies, the ACA's advice under subclauses (1) and (3) should provide details of:
  - (a) the ACA's process for working out the USO subsidies; and
  - (b) the reasons why the ACA considers this process to be reasonable; and
  - (c) what further work the ACA might need to do in relation to USO subsidies if the Commonwealth were to alter the USO contestability arrangements; and
  - (d) its consultations under subclause (6); and
  - (e) such other matters as the ACA considers appropriate.
- (8) The ACA's advice under subclauses (1) and (3) is to be provided as soon as practicable but in any event no later than 30 June 2002.