

EXPLANATORY STATEMENT

Telecommunications (Carrier Licence Charges) Act 1997

DETERMINATION UNDER PARAGRAPH 15(1)(d) No. 1 of 2005

Issued by authority of the Minister for Communications,
Information Technology and the Arts

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 Authority (ACA), to be the proportion of the ACA's costs for the immediately preceding financial year that is attributable to the ACA'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 ACA, 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
- (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); and
- (e) the amount determined, in a written instrument made by the Minister, to be the proportion of the Commonwealth's costs for the immediately preceding financial year that is attributable to the administration of Part 2 of Schedule 1 to the *Telecommunications Act 1997* (which deals with industry development plans).

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 \$835,000 is the amount estimated to be the amount of grants likely to be made during the 2004-2005 financial year under section 593 of the *Telecommunications Act 1997*.

Subsection 15(2) of the Act provides that an instrument under subsection (1) must be notified in the Commonwealth of Australia Gazette before the day on which the charges referred to in subsection (1) become due for payment. Subsection 15(3) of the Act provides that an instrument under subsection (1) is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

As a consequence of the commencement of the *Legislative Instruments Act 2003* (LIA) and the repeal of section 46A of the *Acts Interpretation Act 1901* on 1 January 2005, the accompanying determination is a legislative instrument for the purposes of the LIA (see LIA s.6(d)(i)). It must therefore be tabled in the Parliament and is subject to Parliamentary disallowance. The registration of the accompanying determination and this explanatory statement on the Federal Register of Legislative Instruments before the day on which the charges referred to in subsection (1) become due for payment (see LIA s56(1)).

Consultation was considered unnecessary due to the minor and machinery nature of the accompanying determination (see paragraph 18(2)(a) of the LIA).