

## **EXPLANATORY STATEMENT**

Issued by the authority of the Australian Communications and Media Authority

### ***Telecommunications (Amounts of Annual Charge) Determination 2007***

*Telecommunications (Numbering Charges) Act 1997*

#### **Statutory basis**

Section 18 of the *Telecommunications (Numbering Charges) Act 1997* (the Act) provides that, if a carriage service provider holds an allocated number at the beginning of a day in April determined by the Australian Communications and Media Authority (ACMA), an annual numbering charge is imposed on that number. Section 20(1) of the Act provides that the amount of annual numbering charge imposed on a number is an amount specified by ACMA in a written determination.

#### **Purpose**

The *Telecommunications (Amounts of Annual Charge) Determination 2007* specifies the amount of annual numbering charge applicable to particular numbers.

#### **Background**

The Commonwealth Government has asked ACMA to collect a set amount of revenue each year from carriage service providers that hold certain telephone numbers. ACMA collects this revenue through the annual numbering charge process.

ACMA collects annual numbering charges in accordance with the provisions of the *Telecommunications Act 1997*, the *Telecommunications (Numbering Charges) Act 1997* and determinations made by ACMA under these Acts.

Under the annual numbering charge process, carriage service providers are liable for charges in respect of certain allocated numbers that they hold on a census day (determined by ACMA) in April each year. In 2007, under the *Telecommunications (Date of Imposition of Charge) Determination 2007*, the census date is 1 April 2007.

Not all types of numbers are subject to annual numbering charge. Under subsection 22(1) of the Act, geographic numbers that have been allocated to a carriage service provider for the purposes of providing a standard telephone service to a customer are exempt from charge. Under the *Telecommunications (Exemption from Annual Charge) Determination 2007*, international signalling point codes, geographic numbers (other than those that have been allocated to a carriage service provider for the purposes of providing a standard telephone service to a customer), community service numbers, ENUM Trial numbers and telex numbers are also exempt from charge.

A Regulation Impact Statement is not required for this determination because the determination is minor and machinery in nature. No public consultation was undertaken because the determination is minor and machinery in nature.

The Numbering Advisory Committee (NAC), which comprises members drawn from the telecommunications industry, business and consumer groups, customer equipment suppliers and government agencies, and all carriage service providers liable for the charge in 2007 were advised in writing about the annual numbering charge process in 2007 and the estimated charge. The ACMA also published this information on its website.

### **Amounts of charge to be imposed**

ACMA has decided that the amount of annual numbering charge imposed on a number will be based on the number's length. A standard rate of charge is set for 10-digit numbers and this amount is increased (or decreased) by a factor of 10 for each single digit reduction (or increase) in the number's length.

In order to meet the Government's 2007 annual numbering charge revenue target of \$60 million, the standard rate of charge for a 10-digit number has been set at \$0.86153264. The charge for numbers of differing length is derived from this figure in the manner described above, with the exception of three- and four- digit numbers which will be charged at \$100,000 per number (the maximum amount allowable under section 21 of the Act).

Numbers used for incoming-only international services, internal network services and testing services are charged at a reduced rate relative to that applied to all other chargeable numbers. The standard rate of charge applicable to a 10-digit number of this type has been set at \$0.0086153264. Again, the charge for numbers (of this type) of differing length is derived from this figure in the manner described above. The reduced rate of charge is set on the basis that:

- the amount of revenue derived from incoming only international numbers is not commensurate with the large quantity of numbers allocated to carriage service providers; and
- internal network and testing service numbers do not directly provide carriage service providers with any revenue.

The standard rate of charge imposed in 2007 represents a decrease of 0.047172 cents relative to the amount imposed in 2006. The decrease can be explained by the removal of the exemption on the five-digit Country Calling Card service, and the allocation of additional mobile, premium rate, freephone and local rate service numbers.

## **NOTES ON SECTIONS**

### **Section 1 – Name of Determination**

This section provides that the determination is the *Telecommunications (Amounts of Annual Charge) Determination 2007*.

### **Section 2 – Commencement**

This section provides that the determination commences on the day after it is registered.

### **Section 3 – Revocation – Telecommunications (Amounts of Annual Charge) Determination 2006**

This section revokes the *Telecommunications (Amounts of Annual Charge) Determination 2006*.

### **Section 4 – Definitions**

This section defines the terms used in the determination.

### **Section 5 – Specification of amounts of charge (Act s20)**

This section specifies that amounts of annual numbering charge apply to certain allocated numbers that are held by carriage service providers on the date on which charges are imposed (1 April 2007).

Subsection 5 (1) specifies the amounts of charge applicable to incoming only international numbers and numbers used in connection with internal network services and testing services. Such numbers vary in length between three digits and 15 digits. The amounts of charge applicable to these numbers are detailed in Part 1 of Schedule 1.

Subsection 5 (2) specifies the amounts of charge applicable to all other numbers on which annual numbering charges are imposed. Such numbers vary in length between three digits and 12 digits. The amounts of charge applicable to these numbers are detailed in Part 2 of Schedule 1.

### **Schedule 1 – Amounts of Charge**

Part 1 of Schedule 1 sets out the amounts of charge for incoming only international numbers, internal network numbers and testing numbers. The table in Part 1 of the Schedule sets out the different rates of charge for these numbers, for numbers with 3 digits to numbers with 15 digits.

Part 2 of Schedule 1 sets out the amounts of charge for numbers other than those covered by Part 1 of the Schedule. The table in Part 2 of the Schedule sets out different rates of charge for these numbers, for numbers with 3 digits to numbers with 12 digits.