

EXPLANATORY STATEMENT

Telecommunications (Carrier Licence Charges) Act 1997

Determination under Section 15(1)(b) No. 1 of 2011 – 21 December 2011

Issued by the Australian Competition & Consumer Commission

Legislative Provisions

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 charges that are imposed on carrier licences in force at the beginning of a financial year must not exceed the sum of:

- a) the amount determined, by a written instrument made by the ACMA, to be the proportion of the ACMA's costs for the immediately preceding financial year that is attributable to the ACMA's telecommunications functions and powers; and
- b) the amount determined, by a written instrument made by the 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 ACMA, 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
- (ca) the amount determined, by a written instrument made by the ACMA, to be the sum of the amounts paid under section 136C of the *Telecommunications Act 1997* during the immediately preceding financial year; 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*.

Section 15(4)(b) of the Act defines “costs” and provides that in relation to the ACCC, costs means an amount that, in accordance with accrual-based accounting principles, is treated as a cost of the ACCC. This amount has been calculated in accordance with those principles.

A Determination made under subsection 15(1) of the Act is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Purpose

The Determination has been made for the purposes of section 15(1)(b) of the Act. The determination provides that \$12,947,022 is the amount determined to be the proportion of ACCC's cost for the 2010-11 financial year that is attributable to the ACCC's telecommunications functions and powers.

Consultation

The ACCC did not consult in the calculation of the costs that are attributable to the ACCC's telecommunications functions and powers under section 15(1)(b) of the Act. Consultation was not undertaken as the calculation of costs is based on actual costs incurred directly by the ACCC in undertaking its regulatory role. This methodology is the same as in prior years.

The Best Practice Regulation Preliminary Assessment was completed and this assessed the impact on business of compliance costs as low or no cost.

**STATEMENT OF COMPATIBILITY FOR A BILL OR LEGISLATIVE INSTRUMENT
THAT DOES NOT RAISE ANY HUMAN RIGHTS ISSUES**

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

DETERMINATION UNDER SECTION 15(1)(b) No. 1 of 2011 – 21 DECEMBER 2011

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

This Determination sets out the Australian Competition & Consumer Commission's relevant costs used in the calculation of the 2011-12 Australian Carrier Licence Charge.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

Rodney Graham Sims, Chairman, Australian Competition and Consumer Commission

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