

Commonwealth of Australia

Telecommunications (Consumer Protection and Service Standards) Act 1999

**Australian Communications and Media Authority
(Advice about Universal Service Subsidies)
Direction (No. 1) 2012**

I, STEPHEN MICHAEL CONROY, Minister for Broadband, Communications and the Digital Economy, make the following Direction under subsection 16A(1) of the *Telecommunications (Consumer Protection and Service Standards) Act 1999*.

Dated 24 February 2012

STEPHEN CONROY

Minister for Broadband, Communications and the Digital Economy

1 Name of Direction

This Direction is the *Australian Communications and Media Authority (Advice about Universal Service Subsidies) Direction (No. 1) 2012*.

2 Commencement

This Direction commences on the day after it is registered on the Federal Register of Legislative Instruments.

3 Cessation

This Direction ceases on 31 July 2012.

4 Definitions

In this Direction:

ACMA means the Australian Communications and Media Authority.

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

arrangements for the fulfilment of the USO means the arrangements set out in section 11 of the Act.

contestable area means a universal service area determined under the *Universal Service Areas Determination (No. 1) 2001* for which the service obligation referred to at paragraph 9(1)(a) of the Act has been determined to be contestable under the *Contestable Service Obligation Determination (No. 1) 2001*.

default area means the area for which the Minister is taken to have made a determination as a result of subsection 9G(3) of the Act.

Extended Zones 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 2011.

Minister means the Minister who administers the Act.

previous claim period means the 2010-2011 financial year.

previous Contestable Areas Determination means the *Universal Service Subsidies (2010-11 Contestable Areas) Determination (No.1) 2011*.

previous Default Area Determination means the *Universal Service Subsidies (2010-11 Default Area) Determination (No.1) 2011*.

previous Extended Zones Determination means the *Universal Service Subsidies (2010-11 Extended Zones) Determination (No.1) 2011*.

previous USO Determinations means the previous Contestable Areas Determination, the previous Default Area Determination and the previous Extended Zones Determination.

relevant claim period means the 2011-2012 financial year.

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 subsidy means the universal service subsidy referred to in section 16 of the Act.

5 Direction

(1) I direct the ACMA, under subsection 16A(1) of the Act:

- (a) to provide me with advice on the matters outlined in this clause within 90 days of the commencement of this Direction; and
- (b) in providing this advice, to have regard to the following matters:
 - (i) the objects of Part 2 of the Act;
 - (ii) the Government's 23 June 2011 policy announcement and subsequent release of a policy statement, *Universal Service Policy in the National Broadband Network environment*, which outlined the Government's policy to introduce a new regulatory, funding and institutional framework for the delivery of universal service outcomes and other public interest services from 1 July 2012;

- (iii) a report by Paul Paterson entitled Net Cost of Meeting the Standard Telephone Service and Payphone Universal Service Obligations (June 2011); and
 - (iv) other matters that the ACMA considers relevant.
- (2) The advice must consider whether I should make a determination setting at \$145,076,237 the total amount of the USO subsidy for the relevant claim period in respect of the service obligations referred to at paragraph 9(1)(a) and (b) of the Act for all universal service areas (being the total amount of the USO subsidies set for all areas for the previous claim period by the previous USO Determinations).
- (3) The advice must consider whether I should make a determination setting at \$103,675,415 the universal service subsidy for the default area in respect of the service obligation referred to at paragraph 9(1)(a) of the Act for the relevant claim period (being the same subsidy amount set for that obligation for the previous claim period by the previous Default Area Determination).
- (4) The advice must consider whether I should make a determination setting at \$11,674,286 the universal service subsidy for the default area in respect of the service obligation referred to at paragraph 9(1)(b) of the Act for the relevant claim period (being the same subsidy amount set for that obligation for the previous claim period by the previous Default Area Determination).
- (5) The advice must consider whether I should make a determination setting at \$17,131,189 the universal service subsidy for the Extended Zones area in respect of the service obligation referred to at paragraph 9(1)(a) of the Act for the relevant claim period (being the same subsidy amount set for that obligation for the previous claim period by the previous Extended Zones Determination).
- (6) The advice must consider whether I should make a determination setting at \$2,183,183 the universal service subsidy for the Extended Zones area in respect of the service obligation referred to at paragraph 9(1)(b) of the Act for the relevant claim period (being the same subsidy amount set for that obligation for the previous claim period by the previous Extended Zones Determination).
- (7) The advice must consider whether I should make a determination setting, for each contestable area, the universal service subsidy for the contestable area in respect of the obligation referred to in paragraph 9(1)(a) of the Act for the relevant claim period at the same amount as the lump sum subsidy specified for that contestable area for the previous claim period in a table at item (a), (b) or (c) of the Schedule to the previous Contestable Areas Determination.
- (8) For the avoidance of doubt:
 - (a) before providing advice in accordance with subclause (1), the ACMA may seek the views of affected persons as the ACMA considers appropriate; and

- (b) nothing in this Direction prevents the ACMA from providing advice about other matters it considers relevant.