

EXPLANATORY STATEMENT

Telecommunications (Carrier Licence Charges) Act 1997

2024 Determination under Paragraph 15(1)(b)

Issued by the Australian Competition and Consumer Commission

Legislative Provisions

The *Telecommunications (Carrier Licence Charges) Act 1997* (the Act) sets out the method for imposing annual charges in relation to the carrier licences held by telecommunications carriers under the *Telecommunications Act 1997*. 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 Australian Communications and Media Authority (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 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 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*.

Paragraph 15(4)(b) of the Act defines “cost” 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. The ACCC’s costs for the 2022-23 financial year have 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 *Legislation Act 2003*.

Purpose

The Determination has been made for the purposes of paragraph 15(1)(b) of the Act, and provides that \$13,041,969 is the amount determined to be the proportion of costs for the 2022-23 financial year that is attributable to the ACCC’s telecommunications functions and powers. Of this amount, \$1,644,950 relates to costs incurred on the ACCC’s Measuring Broadband Australia program.

Consultation

The ACMA, on behalf of the ACCC, conducted a public consultation in relation to the making of this Determination. The consultation period was open to carriers on 19 August 2024 for a four-week period ending 16 September 2024. Two submissions were received relating to the ACCC which raised issues regarding the drafting of this instrument. Responses to these issues are published on the ACMA website in Attachment D of the *Cost Recovery Implementation Statement: Annual Carrier Licence Charge for the charging period 1 July 2022 to 30 June 2023*.