

EXPLANATORY STATEMENT

Telecommunications (Carrier Licence Charges) Act 1997

Determination under Paragraph 15(1)(b) No. 1 of 2005

Issued by the authority of the Australian Competition & Consumer Commission ('ACCC')

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 the telecommunications carriers. Subsection 15(1) of the Act states 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 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 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*; and
- e) the amount determined by the Industry Minister, by written instrument, 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*.

The accompanying determination has been made for the purposes of paragraph 15(1)(b) of the Act. The determination provides that \$6,433,348 is the amount determined to be the proportion of ACCC's cost for the 2003-04 financial year that is attributable to the ACCC's telecommunications functions and powers.

Paragraph 15 (4)(b) of the Act requires that the ACCC's costs are to be calculated in accordance with accrual-based accounting principles. This amount has been calculated in accordance with those principles.

Subsection 15(2) of the Act provides that an instrument under subsection (1) must be notified in the *Gazette* before the day on which the charges referred to in subsection (1) becomes due for payment. Section 56 (1) of the *Legislative Instruments Act 2003* states that a requirement to publish an instrument in the gazette is satisfied if the instrument is registered on the Federal Register of Legislative Instruments ('FRLI'). The accompanying determination will therefore be published on FRLI, and will be tabled in Parliament and is subject to Parliamentary disallowance.