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1996

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

TELECOMMUNICATIONS (CARRIER LICENCE FEES) AMENDMENT BILL 1996

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Communications and the Arts, Senator the Hon. Richard Alston)

77700 Cat. No. 96 4503 9 ISBN 0644 442484

TELECOMMUNICATIONS (CARRIER LICENCE FEES) AMENDMENT BILL 1996

OUTLINE

The principal purpose of the Telecommunications (Carrier Licence Fees) Amendment Bill 1996 is to allow for the regulations made under the Act to be amended so that the Commonwealth may recover the full telecommunications carriers' share of the Commonwealth's contribution to the budget of the International Telecommunication Union (ITU).

FINANCIAL IMPACT STATEMENT

The main financial impact of the Bill is to increase the telecommunications carriers' annual licence fees by an estimated \$0.9 million in 1996-97. The proportion of this amount to be paid by each carrier is calculated according to each carrier's share of timed traffic.

NOTES ON CLAUSES

Clause 1 - Short title

The Bill, when enacted, would be known as the Telecommunications (Carrier Licence Fees) Amendment Act 1996.

The Principal Act means the *Telecommunications (Carrier Licence Fees) Act* 1991.

Clause 2 - Commencement

The Telecommunications (Carrier Licence Fees) Amendment Act 1996 would commence on the day it receives Royal Assent or, if it does not receive Royal Assent on or before 30 June 1996, would be taken to have commenced on 30 June 1996.

This commencement clause is necessary to ensure that the telecommunications carrier licence fees payable to the Commonwealth on 1 July 1996 include the full telecommunications carriers' share of the amount which the Commonwealth has already contributed to the 1996 budget of the ITU.

Clause 3 - Schedule

The *Telecommunications (Carrier Licence Fees) Act 1991* is amended by item 1 of the Schedule.

Clause 4 - Application

The amendment in item 1 of Schedule 1 applies in respect only of fees payable on 1 July 1996 and each successive 1 July, to ensure that the amendment does not apply to fees already levied on the carriers in previous years.

Clause 5 - Regulations

This clause specifically acknowledges that the amendment to the Telecommunications (Carrier Licence Fees) Regulations 1991 (the Regulations), which determines the formula for the carriers' share of the ITU budget will need to be retrospective if the Bill does not receive Royal Assent on or before 30 June 1996 to enable the Commonwealth to recover from the carriers their share of the Commonwealth's contribution to the 1996 ITU budget.

Schedule 1 - Amendment of the Telecommunications (Carrier Licence Fees) Act 1991

Item 1 of Schedule 1 repeals paragraph 6(b) of the *Telecommunications* (*Carrier Licence Fees*) Act 1991 and replaces it with a new paragraph. This new paragraph is intended to provide that the limit on the total annual fees payable by the telecommunications carriers includes the proportion of the Commonwealth's contribution to the budget of the ITU that the Regulations determine is recoverable from the telecommunications carriers. The Regulations will be amended to provide a new formula for calculating the telecommunications carriers' share.

