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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

TELECOMMUNICATIONS (PUBLIC MOBILE LICENCE CHARGE) BILL 1992

EXPLANATORY MEMORANDUM

(Circulated by authority of the Acting Minister for
Transport and Communications, Senator the Hon. Bob Collins)

TELECOMMUNICATIONS (PUBLIC MOBILE LICENCE CHARGE) BILL 1992

OUTLINE

This Bill imposes a charge on the grant of certain public mobile licences under the *Telecommunications Act 1991*. This Bill should be read with the Transport and Communications Legislation Amendment Bill (No. 2) 1992 which contains amendments to the *Telecommunications Act* which, together with this Bill, will enable a fee to be charged for the grant of the third public mobile licence.

FINANCIAL IMPACT

The charge imposed on the grant of the third public mobile licence by this Bill is expected to result in a significant contribution to Commonwealth revenue. It is not possible to estimate the extent of the likely contribution given that the amount obtained will depend on the result of the process for granting the licence.

NOTES ON CLAUSES

Clause 1 - Short title

This clause provides for the new Act to be cited as the *Telecommunications (Public Mobile Licence Charge) Act 1992*.

Clause 2 - Commencement

This clause provides for the commencement of the new Act. The new Act will commence on Royal Assent or immediately after the commencement of Part 10 of the Transport and Communications Legislation Amendment Bill (No. 2) 1992, whichever is later. Part 10 of that Act commences when that Act receives the Royal Assent. The commencement of this Act is tied to the commencement of Part 10 of that Act as that Part contains amendments which this Act depends on for its operation.

Clause 3 - Interpretation

This clause contains definitions of expressions used in the new Act.

The definitions are explained in the notes on the clauses in which they are first used.

Clause 4 - Imposition of charge

This clause imposes a charge on the grant of a public mobile licence. 'Public mobile licence' is defined in clause 3 to mean a public mobile licence granted under section 57A of the *Telecommunications Act 1991*.

Section 57A is to be inserted in the *Telecommunications Act* by Part 10 of the *Transport and Communications Legislation Amendment Bill (No. 2) 1992*. Section 57A will provide for a new allocation system for public mobile licences, except where such licences are being regranted to an existing licensee or transferred to an eligible corporation.

Clause 5 - Amount of charge

This clause sets out the amount of the charge payable in respect of the grant of a public mobile licence under new section 57A.

Under new clause 5(a), where tenders were called in respect of the grant of the licence, the charge will be an amount equal to the bid submitted by the new licensee which is accepted under the allocation system under which the licence was granted.

'Allocation system' is defined in clause 3 to mean an allocation system determined under the new section 57A of the *Telecommunications Act*.

New clause 5(b) deals with a case where a public mobile licence is granted under new section 57A without tenders being called in respect of the licence. This provision is included in case some other mechanism were to be adopted in the future for the grant of further licences. The Government has announced that the number of public mobile licences will be reviewed in 1995. Where, after the review, a new system was to be put in place for the allocation of future licences that was not tender based, paragraph 5(b) requires the amount of the charge to be calculated in accordance with regulations.

Clause 6 - By whom is charge payable?

This clause makes the charge for the grant of a public mobile licence under new section 57A payable by the grantee.

Clause 7 - Regulations

This clause enables the Governor-General to make regulations for the purposes of the Act.



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