

PART I

ALL AGENCIES ARE REQUESTED TO COMPLETE PART I.

If you cannot answer a question, please indicate whether the question is NOT APPLICABLE or if INFORMATION IS NOT AVAILABLE.

Section 1: Contact details

1.1 Agency

1.2 Reporting and financial arrangements are governed by:
(Please indicate with a 'X' whether one or more of the following Acts apply)

Financial Management and Accountability Act 1997

YES	NO
	X

Commonwealth Authorities and Companies Act 1997

YES	NO
X	

Other

1.3 Contact Officer

Position

Phone

Fax

Email

Address

This section asks about your agency's total revenues, charges and expenses. All agencies should complete this section, whether or not you consider you undertake cost recovery.

Section 2: Agency revenues, charges and expenses

(Please indicate with a 'X' which response applies)

2.1 Has your agency charged any cost recovery fees, levies or other charges in the last five financial years?

YES	NO
X	

Relevant charges include any fees, levies, taxes (including some customs and excise duties earmarked for specific purposes) or other charges which arise from the services, programs or business activities of your agency, and which are collected by your agency or by another agency on your behalf. For example, application fees, processing charges, consultancy fees, publication sales, special industry duties, excises or levies other than general taxation.

2.2 Were any of the appropriations allocated to your agency in the last five financial years linked (hypothecated) to revenue collected from fees, levies or charges (for example, levies paid to the Consolidated Revenue Fund but earmarked for allocation to your portfolio)? (Whether the revenue was collected by your agency or by another agency on your behalf).

YES	NO
	X

2.3 Has your agency considered introducing any cost recovery arrangements in the past that were not implemented?
(Please attach any relevant reviews, analysis or other information.)

YES	NO

2.4 Is your agency considering introducing any cost recovery arrangements in the future?
(Please attach any relevant reviews, analysis or other information.)

YES	NO

If you answered NO to questions 2.1 and 2.2, you need not answer any further questions. Thank you for your cooperation. Please return the questionnaire to the Commission (see front sheet for instructions).

If you answered YES to EITHER question 2.1 OR question 2.2 OR both, please complete section 3 below, and Part II on the following worksheet.

Section 3: Agency revenues and expenses

3.1 Does your agency classify revenues and expenses as agency and administered?

Agency revenues and expenses are those controlled by the department/agency (for example, employee and administrative expenses). Administered revenues and expenses are those which are controlled by Government and managed or oversighted by the department/agency on behalf of the Government (for example, social security payments).

YES	NO
X	

If your agency classifies revenues and expenses as 'agency' and 'administered' then please fill in both tables below. If your agency does not classify revenues and expenses as 'agency' and 'administered' then please put all revenues and expenses in the 'agency' table below.

AGENCY revenues and expenses (Please use \$'000)					
	1995-96	1996-97	1997-98	1998-99	1999-2000
Agency revenue from cost recovery (a)					
3.2 Cost recovery revenue retained by your agency	N/A	N/A	458	663	1495
3.3 Cost recovery revenue paid to CRF and appropriated to your agency (or another agency for a specific purpose (ie. annotated, hypothecated or earmarked revenues)	N/A	N/A	0	0	0
3.4 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)	N/A	N/A	0	0	0
3.5 Total agency revenue from cost recovery	0	0	458	663	1495
Agency revenue from other sources					
3.6 Other appropriations	N/A	N/A	48162	46116	51090
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	N/A	N/A	1193	1742	2490
3.8 Total agency revenue from other sources	0	0	49355	47858	53580
3.9 Total agency revenue	0	0	49813	48521	55075
3.10 Total agency expenses	N/A	N/A	44797	49988	48992
CRF Consolidated Revenue Fund					
(a) Include all revenue from fees, levies, excises and other charges which arise from the services or activities of your agency and which is paid to your agency to another agency or to the Consolidated Revenue Fund.					

ADMINISTERED revenues and expenses (Please use \$'000)

	1995-96	1996-97	1997-98	1998-99	1999-2000
Administered revenue from cost recovery (a)					
3.11 Cost recovery revenue retained by your agency	N/A	N/A	0	0	0
3.12 Cost recovery revenue paid to CRF and appropriated to your agency (or another agency for a specific purpose (ie. annotated,	N/A	N/A	0	0	0
3.13 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)	N/A	N/A	Not avail	Not avail	-5.2E+07
3.14 Total administered revenue from cost recovery	0	0	0	0	-5.2E+07
Administered revenue from other sources					
3.15 Other appropriations	N/A	N/A	0	0	0
3.16 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	N/A	N/A	0	0	0
3.17 Total administered revenue from other sources	0	0	0	0	0
3.18 Total administered revenue	0	0	0	0	-5.2E+07
3.19 Total administered expenses	N/A	N/A			63000

CRF Consolidated Revenue Fund

(a) Include all revenue from fees, levies, excises and other charges which arise from the services or activities of your agency and which is paid to your agency to another agency or to the Consolidated Revenue Fund.

End of Part I. Please complete Part II, which is on a separate worksheet.

PART II

If your agency operated any cost recovery arrangements in 1999-2000, please complete this part
Please fill out a separate form for each sub-unit, cost recovery program or activity, or output or outcome for which you are reporting. Similar cost recovery arrangements may be reported in groups.

PART II(a)

Name of sub-unit, agency, program or activity, output or outcome: Annual Carrier Licence Charges

Section 4: Cost recovery arrangements in 1999-2000

Descriptive material	
4.1	Nature of cost recovery arrangement (eg. licence fee, service charge, hypothecated excise tax or levy etc)
4.2	Basic description of arrangements: (Please attach any relevant documents.)
4.3	Who pays the cost recovery charges?
4.4	Who benefits from the program or activity, output or outcome?
4.5	Do you attempt to measure these benefits? If YES, how?
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)
4.7	When was this cost recovery arrangement introduced?

PART II(b)

Name of sub-unit, agency, program or activity, output or outcome: Annual Carrier Licence Charges

Program or activity, output or outcome cost recovery arrangements in 1999-2000 (continued) **(Please use \$'000)**

Program or activity, output or outcome revenues		
4.8	Cost recovery revenue paid to CRF earmarked for appropriation to same agency	\$ 0
4.9	Cost recovery revenue paid to CRF earmarked for appropriation to a third party	\$ 0
4.10	Cost recovery revenue paid to CRF and not earmarked for particular appropriation	\$ -18,474,813 * Note - Some revenue attrib
4.11	Cost recovery revenue paid to CRF (subtotal)	\$ -18474813
4.12	Cost recovery not paid into CRF	\$ 0
4.13	Total cost recovery revenue	\$ -1.8E+07
4.14	Appropriations not related to cost recovery	\$ 0
4.15	Other sources (please specify)	\$ 0
4.16	Total program or activity, output or outcome revenues	\$ -1.8E+07
Program or activity, output or outcome expenses		
4.17	Direct expenses	\$ \$12,263,498 * Note - ACA expenses for 1
4.18	Indirect expenses (including corporate overheads)	\$ Not Avail. as per attachment B
4.19	Third party expenses (a)	\$ \$6,157,405
4.20	Total program or activity, output or outcome expenses	\$ \$18,420,903
Administration costs		

4.21 What costs are associated with administering the cost recovery arrangements? \$ Not Avail.
 CRF Consolidated Revenue Fund. Direct costs are those directly related to a particular program. Indirect costs include indirect agency overheads and general running costs. (a) Include third party costs where third parties are involved in a program or acti

PART II(c)

Name of sub-unit, agency, program or activity, output or outcome Annual Carrier Licence Charges

Section 5: Institutional arrangements

5.1 What was the rationale for introducing these cost recovery arrangements? (Please attach sources, eg. legislative objects clauses, press releases, second reading speeches.)
 The telecommunications industry should pay for its own regulation and access to the International Telecommunications Union through which Australian industry can shape international practices and standards which then become embedded into equipments which are manufactured for the global market. Parts 2 and 3 of the Telecommunications (Carrier Licence Charges) Act 1997 refer

5.2 What was the legal basis for establishing these cost recovery arrangements: (Please name and attach relevant documents.)

Legislation (eg. s.31 of the Financial Management and Accountability Act, tax or levy acts)	Section 73 of the Telecommunications Act 1997 Part 3 of the Telecommunications (Carrier Licence Charges) Act 1997
Subordinate legislation (eg. regulations, standards)	Telecommunications (Annual Carrier Licence Charge) Determination 2000
Co-regulation or quasi-regulation	
Commonwealth/State/Territory agreement	
Voluntary arrangements (eg. codes of practice)	
Other	

5.3 Who was consulted about introducing these cost recovery arrangements? (Please name relevant bodies and describe the consultation arrangements.)

Commonwealth government (DOFA etc)	The legislation was formulated and established by Parliament. It was subject to the public processes of Parliament through several issues of the legislation.
Other governments (state, territory, local)	
Industry	
Consumers	
Other	

5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)
 Part 2 of the Telecommunications (Carrier Licence Charges) Act 1997 relates to the licence application charge.
 Part 3 of the Telecommunications (Carrier Licence Charges) Act 1997 relates to the annual licence charge.

5.5 Which agency is responsible for the following activities? (Please name relevant agency)

Policy setting	DoCITA
Price setting	ACA
Administration	ACA
Revenue collection	ACA

5.6 Is there any ongoing consultation about these cost recovery arrangements? With whom? (Please name relevant bodies.)

Commonwealth government (DOFA etc)	ACA, ACCC and DCITA are funded through the budget. Budget disbursements as managed through DOFA provide a Government and public oversight of the cost recovery as the cost recovery is set by the disbursements (which are set to achieve the Government objectives).
Other governments (state, territory, local)	
Industry	
Consumers	
Other	

5.7 Please describe these consultation arrangements.
 Budget processes are the consultation arrangements.

5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)
 Cost recovery arrangements reviewed each year through the budget process and the ACA setting of charges to give effect to the recovery

PART II(d)

Name of sub-unit, agency, program or activity, output or outcome

Annual Carrier Licence Charges

Section 6: Price setting arrangements

6.1	How are these cost recovery charges determined? (Please attach any relevant documents)	
(i)	How are charges set? (eg. by formula in legislation or based on 'market prices')	See Attachment A
(ii)	Are charges directly related to the costs of particular activities, outcomes or outputs, or charged on some other basis? (eg. levies on users' turnover, profits or assets)	Yes, charges are directly related to the costs of activities of regulation, international treaty based access to the ITU and administration.
6.2	If charges are directly related to the costs of particular activities, outputs or outcomes:	
(i)	What costs do charges aim to recover? (eg. only direct costs or indirect costs such as overheads)	Direct and indirect costs
(ii)	What proportion of these costs do charges aim to recover? (%)	100%
(iii)	Does the charging regime require assets to be valued? (eg. to allow the calculation of user cost of capital or return on assets)	ACA Component Yes. Assets of the telecommunications regulator (ACA) valued every three years, depreciation included in ACA cost component.
(iv)	If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)	ACA Component - Deprival cost
(v)	Do charges include a user cost of capital?	ACA Component - Yes
(vi)	If 'YES' to (iv), how is it calculated?	ACA Component Capital user charge allocated according to Activity Based Costing Methodology
(vii)	Do charges include return on assets? (eg. profit)	ACA Component - No
(viii)	If 'YES' to (vii), on what basis?	
(ix)	Do charges discriminate between types of users?	Yes
(x)	If 'YES' to (ix), on what basis?	Discriminate on basis of carrier's eligible revenue.
(xi)	Do charges allow for access and equity considerations (eg. waivers, discounts)?	Charging arrangements are set down in Part 3 of the Telecommunications (Carrier Licence Charges) Act 1997.
(xii)	If 'YES' to (xi), on what basis?	
(xiii)	Other (Please describe other significant features)	
6.3	How are indirect costs allocated for cost recovery arrangements? (eg. activity based costing, according to share of direct costs or other rule.)	ACA Component - Activity Based Costing
6.4	Are there any price controls on these charges?	No
6.5	How often is the level of charges changed?	Each year
6.6	What happens if revenue recovered is greater than costs incurred?	Charge is calculated in arrears so that the charge is set to align with the costs already incurred and measured.

End of Part II. Thank you for your cooperation. Please return the questionnaire and attachments to the Commission (see front sheet for instructions)

Calculation of 1999-2000 Amounts to be Recovered through Annual Carrier Licence Charges

Amounts determined in accordance with section 15(1) of the *Telecommunications (Carrier Licence Charges) Act 1997* to be the maximum total of charges to be imposed on carrier licences in force at the beginning of the financial year :

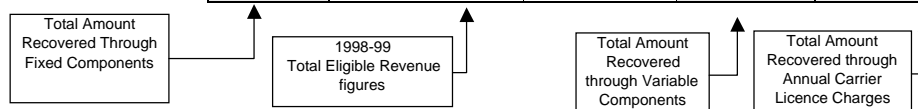
<i>Determination under paragraph 15(1)(a) No.1 of 2000</i> The proportion of the ACA's costs for 1998-99 that is attributable to the ACA's telecommunications functions and powers	\$13,116,672	
less Amounts to be recovered through charges other than Annual Carrier Licence Charges	\$853,174	\$12,263,498
<i>Determination under paragraph 15(1)(b) No.2 of 1999</i> The proportion of the ACCC's costs for 1998-99 that is attributable to the ACCC's telecommunications functions and powers		\$3,749,180
<i>Determination under paragraph 15(1)(c) No.1 of 2000</i> The proportion of the Commonwealth's contribution to the budget of the International Telecommunication Union for the 1999 calendar year		\$1,151,541
<i>Determination under paragraph 15(1)(d) No.1 of 2000</i> The estimated total amount of grants likely to be made during 1999-2000 under section 593 of the Telecommunications Act 1997		\$838,302
<i>Determination under paragraph 15(1)(e) No.2 of 1999</i> The proportion of Commonwealth's costs for 1998-99 that is attributable to the administration of Part 2 of Schedule 1 to the Telecommunications Act 1997		\$418,382
Total Amount to be Recovered through Annual Carrier Licence Charges		\$18,420,903

In accordance with the section 14 Determination on the Amount to be Imposed on Individual Carriers is calculated as:

- 1) A **Fixed Component** of \$10,000 per Carrier Licence in force at the beginning of the 1999-00 FY ; plus
- 2) A **Variable Component** per Carrier Licence in force at the beginning of the 1999-00 FY calculated using the formula:

$$[\text{Total amount to be recovered through Annual Carrier Licence Charges} - \text{Total amount to be recovered through Fixed Components}] \times [\text{Carrier's Eligible Revenue} / \text{Total Eligible Revenue}]$$

Carrier Licence that is in force at the beginning of the 1999-00 Financial Year	Fixed Component	Carrier's Eligible Revenue for 1998-99	Carrier's Contribution Factor (to 10 decimal places)	Variable Component	Total Amount of Charge
AAPT	\$10,000	\$281,692,846.00	1.5850165308%	\$287,378	\$297,378
Agile	\$10,000	\$64,400.00	0.0003623630%	\$66	\$10,066
Amcom	\$10,000	\$1,226,673.00	0.0069021880%	\$1,251	\$11,251
Commcord	\$10,000	\$3,493.00	0.0000196543%	\$4	\$10,004
Davnet	\$10,000	\$1,132,512.00	0.0063723672%	\$1,155	\$11,155
Horizon	\$10,000	\$629,124.00	0.0035399264%	\$642	\$10,642
Hutchison Telecoms	\$10,000	\$29,462,188.00	0.1657765033%	\$30,057	\$40,057
Iridium	\$10,000	\$63,326.00	0.0003563199%	\$65	\$10,065
Macrocom	\$10,000	\$2,305,746.00	0.0129738670%	\$2,352	\$12,352
NewTel (Xinhua Nws)	\$10,000	\$47,786.00	0.0002688801%	\$49	\$10,049
Northgate	\$10,000	\$879,002.00	0.0049459286%	\$897	\$10,897
OMNIconnect	\$10,000	\$122,469.00	0.0006891030%	\$125	\$10,125
One.Tel GSM 1800	\$10,000	\$37,387,000.00	0.2103674761%	\$38,142	\$48,142
Optus Mobile	\$10,000	\$1,185,072,714.00	6.6681134027%	\$1,208,989	\$1,218,989
Optus Networks	\$10,000	\$1,015,900,315.75	5.7162218244%	\$1,036,403	\$1,046,403
Optus Vision	\$10,000	\$57,535,697.50	0.3237392534%	\$58,697	\$68,697
Oz Telecom	\$10,000	\$0.00	0.0000000000%	\$0	\$10,000
PanAmSat	\$10,000	\$30,768.00	0.0001731240%	\$31	\$10,031
PowerTel (Spectrum)	\$10,000	\$7,659,213.00	0.0430965124%	\$7,814	\$17,814
Primus	\$10,000	\$48,371,006.00	0.2721717829%	\$49,347	\$59,347
SCCL Aus	\$10,000	\$0.00	0.0000000000%	\$0	\$10,000
Soul Pattinson	\$10,000	\$0.00	0.0000000000%	\$0	\$10,000
Telstra Corp	\$10,000	\$14,520,503,153.00	81.7033086198%	\$14,813,548	\$14,823,548
Telstra Multimedia	\$10,000	\$39,876,485.00	0.2243751974%	\$40,681	\$50,681
TransAct Carrier	\$10,000	\$0.00	0.0000000000%	\$0	\$10,000
United Energy	\$10,000	\$1,990,891.00	0.0112022552%	\$2,031	\$12,031
Vodafone	\$10,000	\$535,486,000.00	3.0130483399%	\$546,293	\$556,293
Windytide	\$10,000	\$1,251,314.00	0.0070408369%	\$1,277	\$11,277
Worldcom	\$10,000	\$3,539,828.00	0.0199177437%	\$3,611	\$13,611
	\$290,000	\$17,772,233,950.25	100.0000000004%	\$ 18,130,905	\$ 18,420,905



PART II

If your agency operated any cost recovery arrangements in 1999-2000, please complete this part
Please fill out a separate form for each sub-unit, cost recovery program or activity, or output or outcome for which you are reporting. Similar cost recovery arrangements may be reported in groups.

PART II(a)

Name of sub-unit, agency, program or activity, output or outcome Apparatus Licence Fees and Charges - Administrative Component

Section 4: Cost recovery arrangements in 1999-2000

	Descriptive material	
4.1	Nature of cost recovery arrangement (eg. licence fee, service charge, hypothecated excise tax or levy etc)	Licence transaction fee - eg licence issue/renewal/installment etc
4.2	Basic description of arrangements: (Please attach any relevant documents.)	Apparatus licence fees are charged to encourage efficiency in the use of the spectrum, provide a return to Government for the private use of a community resource and recover the ACA's costs in managing the radiofrequency spectrum. The three components of apparatus licence fees are: spectrum access tax (SAT); spectrum maintenance component (SMC); administrative component. See Attachment A for further information
4.3	Who pays the cost recovery charges?	Licensees
4.4	Who benefits from the program or activity, output or outcome?	Licencees, consumers of services provided by licence
4.5	Do you attempt to measure these benefits? If YES, how?	No - benefits are private benefits and not readily quantifiable.
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)	No
4.7	When was this cost recovery arrangement introduced?	The present cost recovery arrangements were introduced in April 1995.

PART II(b)

Name of sub-unit, agency, program or activity, output or outcome Apparatus Licence Fees and Charges - Administrative Component

Program or activity, output or outcome cost recovery arrangements in 1999-2000 (continued) (Please use \$'000)

Program or activity, output or outcome revenues		
4.8	Cost recovery revenue paid to CRF earmarked for appropriation to same agency	\$ 0
4.9	Cost recovery revenue paid to CRF earmarked for appropriation to a third party	\$ 0
4.10	Cost recovery revenue paid to CRF and not earmarked for particular appropriation	\$ - 5,430,589
4.11	Cost recovery revenue paid to CRF (subtotal)	\$ - 5,430,589
4.12	Cost recovery not paid into CRF	\$ 0
4.13	Total cost recovery revenue	\$ -5430589
4.14	Appropriations not related to cost recovery	\$ 0
4.15	Other sources (please specify)	\$ 0
4.16	Total program or activity, output or outcome revenues	\$ -5430589
Program or activity, output or outcome expenses		
4.17	Direct expenses	\$ Not Avail
4.18	Indirect expenses (including corporate overheads)	\$ Not Avail
4.19	Third party expenses (a)	\$ Not Avail
4.20	Total program or activity, output or outcome expenses	\$ 0
Administration costs		
4.21	What costs are associated with administering the cost recovery arrangements?	\$ Not Avail

CRF Consolidated Revenue Fund. Direct costs are those directly related to a particular program. Indirect costs include indirect agency overheads and general running costs. (a) Include third party costs where third parties are involved in a program or activity and their costs are being recovered as part of the cost recovery arrangements.

PART II(c)

Name of sub-unit, agency, program or activity, output or outcome Apparatus Licence Fees and Charges - Administrative Component

Section 5: Institutional arrangements

- | | | |
|-----|---|--|
| 5.1 | What was the rationale for introducing these cost recovery arrangements? (Please attach sources, eg. legislative objects clauses, press releases, second reading speeches.) | The ACA's predecessor, the Spectrum Management Agency, held a public inquiry into the apparatus licence system following a direction by the then Minister in December 1993. The inquiry was foreshadowed in the second reading speech on the Radiocommunications Act 1992 and was designed to develop a more efficient, open and equitable system in line with the Act's objectives. |
| 5.2 | What was the legal basis for establishing these cost recovery arrangements: (Please name and attach relevant documents.) | |
| | Legislation (eg. s.31 of the Financial Management and Accountability Act, tax or levy acts) | Radiocommunications Act 1992
S. 53 Australian Communications Authority Act 1997 |
| | Subordinate legislation (eg. regulations, standards) | Radiocommunications (Charges) Determination 2000 |
| | Co-regulation or quasi-regulation | |
| | Commonwealth/State/Territory agreement | |
| | Voluntary arrangements (eg. codes of practice) | |
| | Other | |
| 5.3 | Who was consulted about introducing these cost recovery arrangements? (Please name relevant bodies and describe the consultation arrangements.) | |
| | Commonwealth government (DOFA etc) | Minister/Department of Communications and the Arts, Commonwealth agencies who use radiofrequency spectrum |
| | Other governments (state, territory, local) | State and local government bodies using the spectrum |
| | Industry | Radiocommunications user and equipment industries |
| | Consumers | Radiocommunications user groups, amateur radio licence holders |
| | Other | Wide range of radiocommunications users (eg fishing clubs, sea rescue organisations) |
| 5.4 | What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.) | The guidelines consulted during the review were set down in the Ministerial direction (see attached) |
| 5.5 | Which agency is responsible for the following activities? (Please name relevant agency) | |
| | Policy setting | ACA |
| | Price setting | ACA |
| | Administration | ACA |
| | Revenue collection | ACA |
| 5.6 | Is there any ongoing consultation about these cost recovery arrangements? With whom? (Please name relevant bodies.) | |
| | Commonwealth government (DOFA etc) | DoCITA is consulted before any significant change to the arrangements. DoFA is consulted about estimated revenue. |
| | Other governments (state, territory, local) | The ACA consults spectrum users before a significant change in cost recovery arrangements. |
| | Industry | As above |
| | Consumers | As above |
| | Other | As above |
| 5.7 | Please describe these consultation arrangements. | Normal practice has been to consult with a working group of the Radiocommunications Consultative Council (representing spectrum users) before making significant changes to the system. As mentioned above, a public inquiry was held before the arrangements were first implemented. |
| 5.8 | Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review) | Cost recovery arrangements reviewed every two years |

PART II(d)

Name of sub-unit, agency, program or activity, output or outcome Apparatus Licence Fees and Charges - Administrative Component

Section 6: Price setting arrangements

6.1	How are these cost recovery charges determined? (Please attach any relevant documents)	
(i)	How are charges set? (eg. by formula in legislation or based on 'market prices')	See Attachment A
(ii)	Are charges directly related to the costs of particular activities, outcomes or outputs, or charged on some other basis? (eg. levies on users' turnover, profits or assets)	Yes, charges are directly related to the costs of activities
6.2	If charges are directly related to the costs of particular activities, outputs or outcomes:	
(i)	What costs do charges aim to recover? (eg. only direct costs or indirect costs such as overheads)	Direct and indirect costs
(ii)	What proportion of these costs do charges aim to recover? (%)	100%
(iii)	Does the charging regime require assets to be valued? (eg. to allow the calculation of user cost of capital or return on assets)	Yes. Assets valued every three years, depreciation included in costs to be recovered
(iv)	If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)	Deprival cost
(v)	Do charges include a user cost of capital?	Yes
(vi)	If 'YES' to (iv), how is it calculated?	Capital user charge allocated according to Activity Based Costing Methodology
(vii)	Do charges include return on assets? (eg. profit)	No
(viii)	If 'YES' to (vii), on what basis?	-
(ix)	Do charges discriminate between types of users?	Yes
(x)	If 'YES' to (ix), on what basis?	Discriminate on basis of apparatus licence type
(xi)	Do charges allow for access and equity considerations (eg. waivers, discounts)?	Yes
(xii)	If 'YES' to (xi), on what basis?	Fee exemptions/concessions are given to certain bodies (eg life saving associations and other voluntary safety of life organisations)
(xiii)	Other (Please describe other significant features)	
6.3	How are indirect costs allocated for cost recovery arrangements? (eg. activity based costing, according to share of direct costs or other rule.)	Activity Based Costing
6.4	Are there any price controls on these charges?	No
6.5	How often is the level of charges changed?	Reviewed every two years
6.6	What happens if revenue recovered is greater than costs incurred?	There are no provisions for return of excess charges. It would not be feasible for the ACA to do so as money goes direct to Consolidated Revenue.

End of Part II. Thank you for your cooperation. Please return the questionnaire and attachments to the Commission (see front sheet for instructions)

PART II

If your agency operated any cost recovery arrangements in 1999-2000, please complete this part
Please fill out a separate form for each sub-unit, cost recovery program or activity, or output or outcome for which you are reporting. Similar cost recovery arrangements may be reported in groups.

PART II(a)

Name of sub-unit, agency, program or activity, output or outcome Apparatus Licence Fees and Charges - Spectrum Maintenance Component

Section 4: Cost recovery arrangements in 1999-2000

	Descriptive material	
4.1	Nature of cost recovery arrangement (eg. licence fee, service charge, hypothecated excise tax or levy etc)	Licence fee
4.2	Basic description of arrangements: (Please attach any relevant documents.)	Apparatus licence fees are charged to encourage efficiency in the use of the spectrum, provide a return to Government for the private use of a community resource and recover the ACA's costs in managing the radiofrequency spectrum. The three components of apparatus licence fees are: spectrum access tax (SAT); spectrum maintenance component (SMC); administrative component. See Attachment A for further information
4.3	Who pays the cost recovery charges?	Licensees
4.4	Who benefits from the program or activity, output or outcome?	Licencees, consumers of services provided by licence
4.5	Do you attempt to measure these benefits? If YES, how?	No - benefits are private benefits and not readily quantifiable.
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)	No
4.7	When was this cost recovery arrangement introduced?	The present cost recovery arrangements were introduced in April 1995.

PART II(b)

Name of sub-unit, agency, program or activity, output or outcome Apparatus Licence Fees and Charges - Spectrum Maintenance Component

Program or activity, output or outcome cost recovery arrangements in 1999-2000 (continued) **(Please use \$'000)**

Program or activity, output or outcome revenues		
4.8	Cost recovery revenue paid to CRF earmarked for appropriation to same agency	\$ 0
4.9	Cost recovery revenue paid to CRF earmarked for appropriation to a third party	\$ 0
4.10	Cost recovery revenue paid to CRF and not earmarked for particular appropriation	\$ - 24,450,231
4.11	Cost recovery revenue paid to CRF (subtotal)	\$ - 24,450,231
4.12	Cost recovery not paid into CRF	\$ 0
4.13	Total cost recovery revenue	\$ -24450230.98
4.14	Appropriations not related to cost recovery	\$ 0
4.15	Other sources (please specify)	\$ 0
4.16	Total program or activity, output or outcome revenues	\$ -2.4E+07
Program or activity, output or outcome expenses		
4.17	Direct expenses	\$ Not Avail
4.18	Indirect expenses (including corporate overheads)	\$ Not Avail
4.19	Third party expenses (a)	\$ Not Avail
4.20	Total program or activity, output or outcome expenses	\$ 0
Administration costs		
4.21	What costs are associated with administering the cost recovery arrangements?	\$ Not Avail

CRF Consolidated Revenue Fund. Direct costs are those directly related to a particular program. Indirect costs include indirect agency overheads and general running costs. (a) Include third party costs where third parties are involved in a program or activity and their costs are being recovered as part of the cost recovery arrangements.

PART II(c)

Name of sub-unit, agency, program or activity, output or outcome

Apparatus Licence Fees and Charges - Spectrum Maintenance Component

Section 5: Institutional arrangements

- | | | |
|-----|---|---|
| 5.1 | What was the rationale for introducing these cost recovery arrangements? (Please attach sources, eg. legislative objects clauses, press releases, second reading speeches.) | The ACA's predecessor, the Spectrum Management Agency, held a public inquiry into the apparatus licence system following a direction by the then Minister in December 1993. The inquiry was foreshadowed in the second reading speech on the <i>Radiocommunications Act 1992</i> and was designed to develop a more efficient, open and equitable system in line with the Act's objectives. |
| 5.2 | What was the legal basis for establishing these cost recovery arrangements: (Please name and attach relevant documents.) | |
| | Legislation (eg. s.31 of the Financial Management and Accountability Act, tax or levy acts) | Radiocommunications Act 1992
Radiocommunications (Receiver Licence Tax) Act 1983
Radiocommunications (Transmitter Licence Tax) Act 1983
S. 53 Australian Communications Authority Act 1997 |
| | Subordinate legislation (eg. regulations, standards) | Radiocommunications (Transmitter Licence Tax) Determination 2000
Radiocommunications (Receiver Licence Tax) Determination 2000 |
| | Co-regulation or quasi-regulation | |
| | Commonwealth/State/Territory agreement | |
| | Voluntary arrangements (eg. codes of practice) | |
| | Other | |
| 5.3 | Who was consulted about introducing these cost recovery arrangements? (Please name relevant bodies and describe the consultation arrangements.) | |
| | Commonwealth government (DOFA etc) | Minister/Department of Communications and the Arts, Commonwealth agencies who use radiofrequency spectrum |
| | Other governments (state, territory, local) | State and local government bodies using the spectrum |
| | Industry | Radiocommunications user and equipment industries |
| | Consumers | Radiocommunications user groups, amateur radio licence holders |
| | Other | Wide range of radiocommunications users (eg fishing clubs, sea rescue organisations) |
| 5.4 | What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.) | The guidelines consulted during the review were set down in the Ministerial direction (see attached) |
| 5.5 | Which agency is responsible for the following activities? (Please name relevant agency) | |
| | Policy setting | ACA |
| | Price setting | ACA |
| | Administration | ACA |
| | Revenue collection | ACA |
| 5.6 | Is there any ongoing consultation about these cost recovery arrangements? With whom? (Please name relevant bodies.) | |
| | Commonwealth government (DOFA etc) | DoCITA is consulted before any significant change to the arrangements. DoFA is consulted about estimated revenue. |
| | Other governments (state, territory, local) | The ACA consults spectrum users before a significant change in cost recovery arrangements. |
| | Industry | As above |
| | Consumers | As above |
| | Other | As above |
| 5.7 | Please describe these consultation arrangements. | Normal practice has been to consult with a working group of the Radiocommunications Consultative Council (representing spectrum users) before making significant changes to the system. As mentioned above, a public inquiry was held before the arrangements were first implemented. |
| 5.8 | Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review) | Cost recovery arrangements reviewed every two years |

PART II(d)

Name of sub-unit, agency, program or activity, output or outcome Apparatus Licence Fees and Charges - Spectrum Maintenance Component

Section 6: Price setting arrangements

6.1	How are these cost recovery charges determined? (Please attach any relevant documents)	
(i)	How are charges set? (eg. by formula in legislation or based on 'market prices')	See Attachment A
(ii)	Are charges directly related to the costs of particular activities, outcomes or outputs, or charged on some other basis? (eg. levies on users' turnover, profits or assets)	Yes, charges are directly related to the costs of activities
6.2	If charges are directly related to the costs of particular activities, outputs or outcomes:	
(i)	What costs do charges aim to recover? (eg. only direct costs or indirect costs such as overheads)	Direct and indirect costs
(ii)	What proportion of these costs do charges aim to recover? (%)	100%
(iii)	Does the charging regime require assets to be valued? (eg. to allow the calculation of user cost of capital or return on assets)	Yes. Assets valued every three years, depreciation included in costs to be recovered
(iv)	If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)	Deprival cost
(v)	Do charges include a user cost of capital?	Yes
(vi)	If 'YES' to (iv), how is it calculated?	Capital user charge allocated according to Activity Based Costing Methodology
(vii)	Do charges include return on assets? (eg. profit)	No
(viii)	If 'YES' to (vii), on what basis?	-
(ix)	Do charges discriminate between types of users?	Yes
(x)	If 'YES' to (ix), on what basis?	Discriminate on basis of apparatus licence type and amount of spectrum denial.
(xi)	Do charges allow for access and equity considerations (eg. waivers, discounts)?	Yes
(xii)	If 'YES' to (xi), on what basis?	Fee exemptions/concessions are given to certain bodies (eg life saving associations and other voluntary safety of life organisations)
(xiii)	Other (Please describe other significant features)	
6.3	How are indirect costs allocated for cost recovery arrangements? (eg. activity based costing, according to share of direct costs or other rule.)	Activity Based Costing
6.4	Are there any price controls on these charges?	No
6.5	How often is the level of charges changed?	Reviewed every two years
6.6	What happens if revenue recovered is greater than costs incurred?	There are no provisions for return of excess charges. It would not be feasible for the ACA to do so as money goes direct to Consolidated Revenue.

End of Part II. Thank you for your cooperation. Please return the questionnaire and attachments to the Commission (see front sheet for instructions)