

# PROPOSED CHANGES TO ANNUAL NUMBERING CHARGE PROCESS

ACMA has proposed changes to streamline its annual numbering charges process, by which it collects revenue on behalf of the Commonwealth each year from carriage service providers (CSPs) that hold telephone numbers.

ACMA administers the numbering charges process in accordance with *Telecommunications (Numbering Charges) Act 1997*, the *Telecommunications Act 1997* and five determinations made by ACMA under those Acts. One of these is the *Telecommunications (Amounts of Annual Charge) Determination 2007*, which sets the amount of charge imposed on each number.

ACMA has listed the actual amounts of charge in the determination, which means it must remake the determination every year, because the actual amounts of charge have been different in each year.

However, section 20 of the *Telecommunications (Numbering Charges) Act* does not require ACMA to set out the actual amount of the annual charge—it may set out how the charge is to be ascertained by setting out the formula used to determine the amounts of charge. By doing this, the determination would not be required to be remade each year.

The proposal is to remake the determination so that it includes a defined and certain method for calculating the amount of annual charge instead of the actual amounts of charge. The determination could then remain valid for up to 10 years. The proposed approach has no impact on the base number charge because it would be calculated in the same way as it is under the current approach.

There would be no loss of transparency because CSPs would be able to refer to the formula in the

determination or the base number charge information, which will be published on ACMA's website for any given year, and use it to calculate their own numbering charge liability. CSPs may also arrange for access to ACMA's online numbering system, which provides estimates of their liability before the census date and the final debt after the census date.

ACMA recently sought comments from CSPs that currently incur annual numbering charges on the proposed remade determination. Comments

closed on 20 September 2007.

Information about the annual numbering charge process and the proposed changes is on the ACMA website at [www.acma.gov.au](http://www.acma.gov.au) (go to For licensees & industry: Licensing & regulation > Telecommunications: Telecommunications regulation > Numbering > Annual numbering charges). For more information, contact ACMA's Telecommunications Licensing Numbering Allocation Section by email to [numbering@acma.gov.au](mailto:numbering@acma.gov.au).

## ANNUAL NUMBERING CHARGES

The numbering charge revenue target is set by the Australian Government through the Budget process. In each year since 1998, including 2007, the revenue target has been \$60 million. CSPs are liable for charges on most numbers they hold on a census date (determined by ACMA) in April each year. The census day for 2007 was 1 April 2007 and an embargo on the surrender of most numbers began on 9 March 2007, 15 working days before the census date, to enable ACMA to establish the details of numbers held by each CSP on the census date.

The amount of charge applied to a particular number was calculated on the census date in 2007, as in previous years, using an opportunity-cost methodology that recognises the value forgone in allocating shorter numbers relative to longer numbers. Under this methodology, a standard charge is set for a 10-digit number and this amount is increased (or decreased) by a factor of 10 for each digit reduction (or increase) in a number's length.

The 2007 charge for a 10-digit number was \$0.86153264. Three and four digit numbers were charged at \$100,000, the maximum allowable under the *Telecommunications (Numbering Charges) Act 1997*.

As in past years, numbers used for incoming-only international services, internal network services and testing services will be charged at 1/100th of the rate applied to all other numbers.

Community service numbers, geographic numbers, telex numbers and international signalling point codes are exempt from charges, and in 2007 the numbers allocated for the ENUM trial were also exempt. ENUM numbers will not be classed as numbers exempted from charge under the remade determination. The ENUM trial has concluded and consequently the status of the ENUM numbers will be changed to reflect this.

## 6PCR Fremantle proposes change of community interest

ACMA is considering a request by Fremantle community radio broadcasting service 6PCR, which broadcasts using the on-air identifier of Cockburn Sound FM 91.3, to change the community interest it has been licensed to serve.

6PCR's licensee, Portuguese Cultural and Welfare Centre WA Inc., is seeking to change its community interest from the Portuguese-speaking community of

the Fremantle licence area to the general community of the licence area.

ACMA is considering this request as part of its consideration of whether to renew 6PCR's licence for a further five years and recently sought submissions about the proposed change. Submissions closed on 21 September 2007.

### COMMUNITY BROADCASTING LICENCES

Community broadcasting licences are subject to the licence condition that the licensee will continue to represent the community interest that it represented at the time when the licence was allocated or last renewed. (Clause 9(2)(b) of Schedule 2 to the *Broadcasting Services Act 1992*).

The licence condition recognises that a community broadcasting service should be able to evolve with the community. It also enables ACMA,

when renewing a community broadcasting licence, to consider a request from a licensee that the community interest it represents has evolved since the licence was allocated or last renewed.

In considering such a request, ACMA takes into account a range of matters, including:

- how the proposed service with the changed community interest will meet the existing and perceived future needs of the community in the licence area

- any research or evidence to demonstrate how the community has evolved, or will evolve, over time
- evidence to demonstrate how the licensee will represent the proposed changed community interest
- letters of support and any other evidence it has to demonstrate that its members and the general community support the proposed change.

Community broadcasting licences are issued for five years. ACMA writes to a community licensee 58 weeks

before the expiry of its licence requesting that it submit an application to renew its licence no later than 52 weeks before the expiry of the current licence. ACMA has discretion as to whether it will conduct a renewal inquiry, the form it should take and what it will consider in an inquiry, and may refuse to renew a community broadcasting licence if, having regard to these matters, it considers that it would not allocate a licence to the licensee.