Satellite Communications Amendment Bill 1988

Date Introduced: 28 September 1988
House: House of Representatives
Presented by: Hon. Ralph Willis, M.P., Minister for Transport and Communications

Digest of Bill

Purpose
To allow Telecom employees lower in status than State Commissioner to be members of the AUSSAT Board of Directors.

Background
AUSSAT Pty Ltd was established in November 1981 to establish, own and operate a national satellite system. Commercial operations commenced in 1985 with the launch of AUSSAT 1. The Memorandum and Articles of Association of AUSSAT initially required that 49% of the shares in the company be sold to the public whilst the Commonwealth retain 51%. The Satellite Communications Act 1984 (the Principal Act) precluded shares being sold to the public, and since 1984 the Commonwealth has held 75% and Telecom 25% of the shares.

AUSSAT recorded an operating loss after tax of $5.296 million for 1987–88 (before tax $10.233 million). In 1987–88 sales from transponder services increased 30% from $59.4 million to $77.4 million (including commencement of two Remote Commercial Television Services for the North East and Central Australian zones). Sales from other satellite based operations rose 19% from $10.8 million to $12.9 million, principally from private network products for voice and data and closed circuit video applications. The total revenue achieved was $104.1 million. In June 1988 contracts were awarded to the Hughes Aircraft Company in the United States for the construction of two satellites to replace the two first generation satellites launched in 1985 and which are scheduled to end their service life in 1992–93. It appears that the second generation satellites will be launched by Chinese booster rockets.

The future direction of government transport and communication bodies was outlined on 25 May 1988 when a Ministerial Statement, titled 'Reshaping the Transport and Communications Government Business Enterprises', was tabled in the Senate. The Statement noted the increasing competition in international markets, the rate of technological change and the pressures these and other factors exert on such bodies.
In regard to AUSSAT, as with other agencies, a number of specific courses of action were outlined. Planning and accountability provisions are to be altered, with more emphasis on strategic plans and agreed financial targets. In addition, AUSSAT will be exempted from general administrative and personnel policies laid down by the Government, except where directed to comply, and will not require Ministerial approval for contracts and individual borrowings.  

Main Provisions

Section 9 of the Principal Act limits the number of people associated with Telecom who can be AUSSAT directors to two, or 25% of the AUSSAT Board of Directors. In addition, Telecom appointed directors cannot be lower in status than State Commissioner. Clause 4 will allow Telecom employees lower in status than State Commissioners to be members of the AUSSAT Board of Directors.

Clause 5 will insert new sections 18A and 18B into the Principal Act which will exempt AUSSAT from the Public Works Committee Act 1969 and the Lands Acquisition Act 1955 in respect of acquisition of land by agreement.

References


For further information, if required, contact the Law and Government Group.

20 January 1989

Bills Digest Service
Legislative Research Service

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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