Communications Legislation Amendment Bill 1987

Date Introduced: 2 April 1987
House: House of Representatives
Presented by: Hon. Michael Duffy, M.P., Minister for Communications

Digest of Bill

Purpose
To enable the Overseas Telecommunications Commission (OTC) to engage in a broader range of activities, and Australia Post to enter 'hedging' contracts; and to impose a moratorium on the introduction of pay-television services.

Background
The Overseas Telecommunications Act 1946 authorises OTC to provide international telecommunications services between Australia and the rest of the world. OTC's largest revenue earner is the international telephone service. In 1985-86 its earnings of $338 million reflected an increase of 16.6% over the previous year and accounted for more than 70% of OTC's business.

At the other end of the scale is the international telegram service. This was the earliest service provided by OTC but, with the increased demand for telephone services and the availability for personal use of cheaper and technologically convenient facsimile services using OTC lines, the telegram is becoming obsolete. Telegram traffic declined by 17.3% in 1985-86.

In the view of the House of Representatives Standing Committee on Expenditure, expressed in its report, Call Us Again, this exemplifies the need for a legislative amendment which would allow OTC to diversify into activities that are not authorised under the current legislation but which would reduce dependence on overseas technology and generate manufacturing activity. A recommendation by the Committee to this effect has been accepted by the Government. In a statement delivered on 20 February 1987, the Minister for Communications said that the amendment would enable OTC to

... enter the Australian consultancy and equipment markets, for example, via joint ventures or by selling intellectual property rights for products developed in the Commission's research and development program. It could also enter the design and the supply of specific communications facilities markets in competition with (or perhaps in co-operation with) the private sector and ... Telecom and AUSSAT.

OTC has been providing information on services available from INTELSAT (the global satellite telecommunications network) to South Pacific countries which are studying the most suitable means of providing domestic and inter-island satellite communications for the region. A legislative amendment is required if OTC is to have
the capacity to enter into joint ventures for the establishment of these services.

Video and Audio Entertainment and Information Services (VAEIS) operate in hotels, motels, clubs and TABs to provide coverage of race meetings and other sporting events, variety shows and games of chance. VAEIS can be delivered by Multipoint Distribution Systems (MDS) which have been operating in Australia since 1984. MDS use microwave transmitters to distribute video programs and data to receivers at specific points and can also operate within a hybrid delivery system with AUSSAT or Telecom cables or both. MDS services operate on different frequencies from traditional television services and require the use of a downconverter to decode the signals. At present, they can only transmit to receivers at fixed points under licence. These do not include domestic premises. The Minister for Communications announced in September 1986 that transmission of programs to domestic premises, requiring the payment of a fee to the service provider and possession of a decoder, would not be allowed for at least four years. This Bill will give effect to the moratorium.

**Main Provisions**

**Amendments of the *Overseas Telecommunications Act 1946*.**

Proposed section 34AA will empower the OTC to engage, with Ministerial approval, in telecommunications activities in Australia other than the activities of establishment, operation, provision or maintenance of telecommunications services (clause 4).

The OTC will no longer require the Minister's approval to exercise its powers in foreign countries (clause 5 which will substitute a new sub-section 34A(1) into this Act); or to enter into agreements for the provision of consultancy services outside Australia (clause 6 which will amend section 34B of this Act).

Proposed section 34C will empower the OTC to provide domestic or international telecommunications services in or for a foreign country with the approval of the Minister (clause 7).

Section 75 of the Principal Act requires the OTC to obtain Ministerial approval to alter rates for any overseas messages or communications. Clause 10 will amend the section so that approval will only be required for alterations to rates for overseas telephone calls or telegrams.

**Amendment of the *Postal Services Act 1975*.**

The Australian Postal Commission will be empowered to enter into financial futures or foreign currency contracts to reduce or eliminate the risk of financial loss to the Commission caused by the effect of currency exchange or interest rate variations on contracts or the borrowing or raising of money. Ministerial approval will not be required, though the Minister may determine guidelines that must be followed (clause 12 which will insert a new section 82A into this Act).

**Amendments of the *Radiocommunications Act 1983*.**

Section 24 of this Act empowers the Minister to grant transmitter licences. Clause 19 will insert a new section 24A into this Act to prohibit the Minister from granting a transmitter licence that would allow the transmission of programs through pay-television to domestic premises. The Governor-General will be empowered to end the prohibition by Proclamation no earlier than 1 September 1990.
References


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

27 April 1987

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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