

1983-84

THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

SATELLITE COMMUNICATIONS BILL 1984

EXPLANATORY MEMORANDUM

(Circulated by authority of the
Minister for Communications)

OUTLINE

The Satellite Communications Bill 1984 entrenches AUSSAT Pty Ltd (AUSSAT) in legislation and provides that it is to carry on business, in accordance with sound commercial principles, of operating a satellite telecommunication system for Australia and providing satellite facilities for use in neighbouring regions. The satellite system is to form the national telecommunications network for Australia in conjunction with the telecommunications system provided by the Australian Telecommunications Commission ("the Commission").

The Bill provides that:

- . AUSSAT is to be a wholly owned Commonwealth company which cannot convert to a public company.
- . 25% of the shareholding in AUSSAT may be sold to the Commission with the approval of the Minister.
- . AUSSAT may not be voluntarily wound up or wound up by its shareholders except in accordance with a resolution passed by both Houses of the Parliament.

- . The directors of AUSSAT in the performance of their duties are to have regard to the intention of Parliament expressed in the Bill, the requirements of international law and ensure as far as practicable that satellite facilities be provided for the maintenance of air navigation, use by the Australian Broadcasting Corporation and by the Commission for remote telephony and emergency services.
- . AUSSAT is not to provide public switched telephone services or public switched data services.
- . Persons using the satellite system may erect their own telecommunications facilities for purposes related to the use of the satellite system.
- . The right to use of a satellite facility may not be sold or otherwise disposed of by the approved user to third parties.

The related Satellite Communications (Consequential Amendments) Bill 1984 contains amendments to the Telecommunications Act 1975, the Postal Services Act 1975 and the Overseas Telecommunications Act 1946 which have become necessary as a result of some of the provisions of the Satellite Communications Bill.

NOTES ON CLAUSES

Clauses 1 and 2

1. The first two clauses of the Bill provide for the short title and the commencement of the legislation. The Bill is to commence on the day on which it receives Royal Assent.

Clause 3

2. Clause 3 provides definitions of words and expressions used in the legislation.

Clause 4

3. Clause 4 provides that the Act is to apply both within and outside of Australia and extends to external territories.

Clause 5

4. Clause 5 provides that the Act will apply to AUSSAT despite anything in the Memorandum of Articles of Association of AUSSAT.

Clause 6

5. The primary object of AUSSAT is to be the carrying on of the business, in accordance with sound commercial principles, of a telecommunications system for Australia by use of satellites and of providing satellite facilities for neighbouring regions. This object is to override any other primary object in the Memorandum of Association.

Clause 7

6. It is provided that the intention of Parliament is that the telecommunications system provided by the Commission and the additional services provided by AUSSAT's satellite system will together provide Australia's national telecommunications network.

Clause 8

7. The directors of AUSSAT are to ensure as far as practicable that the requirements for satellite facilities will be met for the maintenance of air navigation facilities and related safety services, for the Australian Broadcasting Corporation's provision of remote area television and broadcasting services and for the Commission to provide remote area telephony services and other emergency services. The directors are also to have regard to the intention of the Parliament and the obligations of international law.

Clause 9

8. AUSSAT is not required to provide the use of its facilities or to provide any services without charge.

Clause 10

9. AUSSAT is not a company capable of being converted to a public company.

Clause 11

10. Shares in AUSSAT cannot be held by anyone other than the Commonwealth, the Commission or a person holding shares as trustee. 25% of shares may be sold to the Commission with the approval of the Minister. The Commission cannot give proxies in relation to shares it holds. Shares in AUSSAT are to be issued with equal voting rights.

Clause 12

11. AUSSAT cannot be voluntarily wound up or wound up by its shareholders except in accordance with a resolution passed by each House of the Parliament.

Clause 13

12. AUSSAT is not to provide public switched telephone services or public switched data services.

Clause 14

13. AUSSAT or persons with an interest in AUSSAT facilities may maintain or operate telecommunications installations that are to be used for the purposes of the satellite.

Clause 15

14. Contents of telecommunications messages by officers, employees or Directors of AUSSAT may not be divulged. Exceptions are when this has been done in the course of duties of the officer, employee or Director, as a witness in a court of law, in pursuance of the requirements of the law of the Commonwealth or a Territory or in circumstances prescribed.

Sub-Clause 16(1)

15. Persons are not permitted to use AUSSAT facilities except in pursuance of an agreement between AUSSAT and the person or where approved by AUSSAT. Penalties of \$10,000 for a natural person and \$50,000 for a body corporate are prescribed.

Sub-Clause 16(2)

16. An authorized user of AUSSAT facilities may not sell or sub-lease the right to use the facilities to another person.

Where an authorized user has done so AUSSAT may terminate the agreement with the authorized user.

Clause 17

17. AUSSAT facilities may not be used for the purpose of carrying on a business of providing a telecommunications service unless the person carrying on the business is an eligible person. Persons who are not eligible persons may be fined if they carry on a business of providing a telecommunications service using AUSSAT facilities.

Clause 18

18. The clause provides that the Governor-General may make regulations under the act which give effect to the Act and the objects of AUSSAT.