

3. Telecommunications

a) The Opportunity

Although Canadian sales of communications equipment and related services to Australia have been modest in the past, opportunities for exports do exist in areas such as telecommunications equipment for Telecom Australia, the Australian Broadcast Commission, and the Overseas Telecommunications Commission; satellite communications equipment and consultant services for Australia's first satellite, to be launched in 1985; Telidon hardware and services for private enterprise and, possibly, statutory corporations as Australia begins to implement videotex systems; telex multiplex equipment; and other communications equipment and services.

The Australian Telecommunications Commission, known as Telecom Australia, reports to Parliament through the minister of communications. It has exclusive control over provision of phone services; telex, data and telegram services; and relay facilities for radio and television broadcasting. With revenues of \$3.0 billion, and profits of \$280 million in fiscal 1979-80, the corporation also acquired \$1.3 billion of fixed assets during that period. Of this amount, \$1,130 million was spent on telecommunications equipment, including \$293 million on telephones and related subscriber instruments, \$255 million on exchange equipment, \$22.4 million on data equipment, \$21.1 million on teleprinters, and \$4 million on modems. Telecom has historically placed 90 per cent of its asset purchases with local companies, which include the subsidiaries of many well-regarded multinational corporations such as Philips, ITT, Plessey, Siemens and L.M. Ericsson.

In April 1981, the Australian government announced in Parliament that a major review of Telecom would be undertaken to determine to what extent its telecommunications activities should be transferred to private corporations. The review, expected to last from 12 to 18 months, results from pressure on the government from private-sector corporations anxious to break Telecom's monopoly. The results of the review, and subsequent government action, may improve opportunities for new non-traditional suppliers, among them Canadians. It is recommended, therefore, that Canadian equipment manufacturers and consultants closely follow developments and strive to identify the firms that may emerge as private enterprise suppliers of telecommunications services.