



CLC affiliates with VUT

The Communications Law Centre (CLC) has formalised a second university affiliation, with Victoria University of Technology (VUT) in Melbourne.

Since inception in 1987, the Centre has been affiliated with the University of NSW through the Faculty of Law. The CLC's Melbourne office opened in 1990, initially with the support of the Victoria Law Foundation, and has been funded over the years by the ANZ Trustees, Reichstein Foundation, Myer Foundation and the Australian Film Commission.

At the signing of the agreement on 15 April, the VUT Vice-Chancellor, Professor Jarlath Ronayne, said: 'The affiliation adds a very valuable dimension to the University's teaching and research activities in the areas of media, law and communications at a time when there is a strong call for sound, ethical direction in public policy and information management'.

CLC chair, Peter Waters, said the Centre tried to complement, not duplicate, the work of the academies, industry and government. Its public interest focus distinguished its output. 'From the Melbourne office in particular, we are exploring the consequences of [communications] change for the weaker sections of society and trying to promote better media accountability.'

He said that at VUT the Centre looked forward to 'a relationship that enriches us both and the communities which our institutions serve.'

The CLC Melbourne staff of Paul Chadwick, Victoria Marles, Bruce Shearer and Jenny Mullaly are now located at:

**Communications Law Centre
Victoria University of Technology
City Campus
Level 13, 300 Flinders Street
Melbourne VIC 3000
Postal address:
VUT City Campus
PO Box 14428
MCMC, Melbourne VIC 8001
ph: 03 9248 1278 fax: 03 9248 1277.**

Paul Chadwick

Telstra privatisation

True to its word, the Government introduced legislation to partially privatise Telstra in the first week of Parliament.

Holly Raiche looks at the new Bill.

The Telstra (Dilution of Public Ownership) Bill 1996, introduced into the House of Representatives on 2 May 1996, is part of the larger telecommunications reform package which the Government is committed to passing through Parliament 'by the end of the year'.

This Bill does two things. It allows Telstra to be partially privatised and introduces 'customer service guarantees'.

Partial privatisation

The cornerstone of the Bill is Clause 8AB, amending the Telstra Corporation Act 1991, to remove the prohibition on the Commonwealth transferring any of its shares in Telstra.

The proposed restrictions stop the Commonwealth and Telstra from doing anything which 'causes or contributes' to the Commonwealth having less than two-thirds interests in Telstra. Those interests can include shareholdings, voting rights, paid up share capital, and rights for distribution of capital or profits on Telstra's winding up.

For those who have followed the debates on defining 'control' in broadcasting, the ownership limits sound familiar. In broadcasting, limitations on shareholding, voting and other rights are used, among other tests, to determine whether a person is in a position to control a broadcasting licence. In this Bill, however, the limits are simply on holding of shares or voting or other rights. They do not attempt to look at who may be in a position to 'control' Telstra through other means.

Presumably, the Bill's emphasis is

on 'ownership' because the Commonwealth's holding will be so large that control may not be an issue. If the Government does sell further interests in Telstra, however, the Bill's current emphasis on ownership will not be adequate to ascertain and restrict who really controls Telstra, as the recent controversy over Canwest's interests in Channel Ten can attest.

The other restrictions on the sale deal with foreign involvement. 'Central management and control' of Telstra must stay in Australia; Telstra must maintain 'a substantial business and operational presence' in Australia; and Telstra's chairperson and a majority of its directors must be Australian citizens.

The Bill prohibits an 'unacceptable foreign-ownership situation' (Clause 8BG), defined as a group of foreign persons holding a 'stake' in Telstra of more than 11.6667% (equivalent to 35% of the one third equity sale) or an individual foreign person holding a 'stake' of more than 1.6667% (equivalent to 5% of the one third equity sale).

The term 'stake' is defined (Clause 11 of Schedule 1) as the aggregate of the person's direct control interests 'of that type' plus direct control interests 'of that type' held by the person's associates. 'Associates' include a long list of categories of the person's relatives and corporate associates.

Again, the interests which can comprise a 'stake' include shareholding, voting and other rights. And again, they do not include other measures which might amount to control.

Enforcement of the restrictions on ownership is up to the Minister, not a regulatory agency. It is the Minister