



**PRIME MINISTER**

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

**ADDRESS BY THE PRIME MINISTER  
TO THE FOURTH GENERAL ASSEMBLY OF THE  
ASIA PACIFIC TELECOMMUNITY  
SYDNEY, 25 NOVEMBER 1987**

---

Gareth Evans  
Mr George Maltby, President of the A.P.T.  
Delegates

It's a pleasure to welcome to Sydney and to Australia the delegates to the fourth General Assembly of the Asia-Pacific Telecommunity. I congratulate you on your choice of Australia as venue for your meeting - it's good to know that Australia is increasingly being recognised not only as an exciting tourist destination but also as an efficient and friendly host for conferences such as yours.

Indeed Australia is increasingly in the spotlight of attention from the world's telecommunications industry. Next year, in our bicentennial year, Melbourne will host the World Administrative Telegraph and Telephone Conference, convened by the International Telecommunications Union.

The significance of this event can be gauged not only from the rarity with which the ITU calls such world conferences - the last was in Geneva in 1973.

The Melbourne conference will be significant as well because of the issue it will address. Policy makers from nearly every nation will assemble to discuss the watershed issue of the future regulatory framework for international telecommunications.

Establishing the right level and degree of regulation for an industry is a difficult and sensitive task in any case.

It hardly needs stating in this audience that the question of regulation of an industry as subject to rapid technological change as yours, presents real difficulties.

Let me give you a stark measure of the technological change in the communication industry.

I mentioned that next year is the bicentenary of the European settlement of Australia. The little colony of convicts and soldiers and administrators which arrived in 1788 on the shores near where we now meet was as isolated from the rest of the world as it was possible to be.

Robert Hughes, in his recent book The Fatal Shore, recounts that by June 1790, the colonists had gone nearly three years without news of the outside world.

When the ship The Lady Juliana arrived in Sydney in that month, it had been at sea for 11 months.

Even so, its newspapers and letters bore stunning news: the illness of the King, the first inauguration of George Washington and the outbreak of the French Revolution.

By today's standards it was all old news. But then again we lost our capacity for being surprised by new communications technology when Neil Armstrong's foot was placed in the dust on the surface of the moon - and we all saw it happen on TV 1.3 seconds later.

Today we are seeing a continuing surge in the development of new communications technologies.

Technological developments and the convergence of the telecommunications and information industries have placed you at the centre of some of the most exciting challenges facing both industry and governments as we move towards the twenty-first century.

Telecommunication is well past the stage of being regarded as essentially a social service. It is now, and will be increasingly in the future, a potent source of competitive advantage for commercial enterprises and for nations that are prepared to respond flexibly to emerging commercial opportunities.

Satellites, optical fibre cables, and the digitalisation of voice, data and image transmission - these are the technologies which are at the heart of modern telecommunications.

To use an anatomical analogy, if trade is the life blood of modern societies, then telecommunications is the nervous system linking together the disparate parts of the world economy.

The benefits are sometimes not undiluted.\* Stock trading, thanks to the new technology, can now take place twenty four hours a day by shifting the market with the sun from Europe to North America to the Western Pacific rim and back to Europe. This has created a world market, operating in real time, which is susceptible to the instantaneous responses which we saw all too dramatically in action last month.

In short, your industry's growth prospects are seemingly boundless. New needs and new markets are continually being discovered and new communications products developed.

Indeed we are perhaps reaching the stage where the capacities of engineers and scientists to produce new communications technologies will exceed the capacities of consumers to use them.

It is not hard to imagine business uses for the proposed new Integrated Services Digital Network - the next stage of development which will make it possible to connect facsimile machines, personal computers, phones and telexes to the digital network.

But are we sure that homes need this new facility? You will probably know that the initials of the new network - ISDN - have been appropriated by some cynics to form the less than flattering tag: Innovations Subscribers Don't Need.

Presumably we will see the answer to that eventually in the sales figures.

This rapid pace of technological change presents the Asia Pacific Telecommunity with its own challenges.

The regulatory norms which prevailed when the Asia Pacific Telecommunity was formed are in danger of becoming outmoded, or even rendered obsolete, by the changing communications systems.

And as a representative body of the Asia Pacific region, you must also grapple with the great disparities in technological sophistication that still exist within our global village.

It was reported recently that metropolitan New York has more telephones than black Africa; that in India more than one million people are on the waiting list for a telephone; that the developing countries have a smaller share of the world's telephones than they do of the world's incomes.

Most developing countries at present have a high degree of technical dependence on foreign sources of communications equipment, as well as for systems definition and planning.

Developing countries cannot afford to remain in isolation and lose out on the benefits that sophisticated integrated communications networks will bring. But equally they face the challenge of developing the capacity to control adequately the flow and application of new technology.

Within this framework of change, let me review two specific areas in which Australia has a particular concern.

First, we are alarmed at the threat posed by the rising tide of protectionism to the rules and practices of free trade on which the world's post-war prosperity has been built. This certainly affects us as an efficient agricultural producer. But the trade in services - including telecommunications services - are not immune from the threat.

It is clear that without the development of global markets for services such as telecommunications and data services, without the rapid growth of international financial and insurance services, without rapid and flexible global transport, the total world market for goods would be very much smaller, and we would all be the poorer.

Over the last decade, world trade in services has grown at an average annual rate of nearly 16 per cent.

An area of trade in services that is growing particularly rapidly is satellite services. International satellite telecommunication traffic in the ASEAN group has been projected by INTELSAT to grow to over 11,000 voice circuits by 1995, equivalent to the current use by the United States of the INTELSAT system.

However the services sector is bound, world-wide, in a web of regulations and restrictions which closely control the entry into, and investment in, the services sector. This web even controls in some cases the physical delivery of services.

Moreover, major exporters have demonstrated willingness to protect their service markets by bilateral agreements which by their nature are discriminatory. Clearly, it is in the interests of all nations, developed and developing alike, to ensure that the most efficient and cheapest services are available to all.

Australia welcomes the historic declaration at Punta del Este that services were to be brought within the multilateral framework for the first time. In a speech I made to GATT last month at its headquarters in Geneva I put forward a set of objectives which should guide the current round of negotiations.

The OECD is also examining trade in services, and Australia has been an active participant. We have a strong interest in these developments because of the opportunities they afford us to diversify further our economy and, in particular, our export sector.

This leads me to the second point which I want briefly to address: Australia's response to the challenge of the new telecommunications.

Australia has had, of course, its own unique problems to solve in the telecommunications area.

Being a large country with a small population, with remote communities as well as highly developed and sophisticated industrial and commercial sectors to be served, we have confronted big and complex challenges.

In solving those problems we have in some cases incorporated Australian developed technology. For example, Telecom's Digital Radio Concentrator System, through relay towers, provides automatic telephone services to the more isolated areas at reasonable cost.

We have manufacturing facilities provided by the major corporations of Japan, North America and Europe and, I am pleased to say, increasingly from Australian firms.

We have recognised the advantages of moving to a digital telecommunications system and of establishing optical fibre cable systems as one of the most economical, reliable and flexible means of enhancing our network.

Optical fibre cables are planned to cross the Australian continent from east to west and from north to south.

With the recent launch of the AUSSAT 3 satellite Australia has substantially increased its domestic satellite capacity. This will help meet the solid growth in demand for satellite services in Australia.

Such developments will make the Australian telecommunications network one of the most advanced in the world.

And we are taking the next step. Local telecommunications manufacturing experience has encouraged Australian firms to tender in the competitive international market. Already Australian tenders have been offered for major optical fibre contracts in India and Thailand.

This process is crucial to Australia's long term development.

Australia is undergoing a vital process of structural change. The rest of the world has severely marked down our natural resource-based export products. Sustaining our standard of living means developing and expanding our manufactured and services exports.

The task is to guide our manufacturing and services industries to be internationally competitive and export oriented. Australian telecommunications manufacturers maintain substantial interests in the region and we are looking to establish greater links with South East Asian economies.

In recognition of this export potential, my Government has announced an information industry strategy that aims to link companies in Australia to world markets, encourage new product development and ensure the supply of skilled workers. We will review the regulatory environment and establish an Industries Information Board to implement the strategy.

We are confident that this communications export strategy will increase exports from their present level of \$60 million a year to \$600 million a year by the middle of the next decade.

Along with many other countries we are also reviewing the regulatory framework in which our telecommunications industry operates, with the objectives of bringing it up to date and of promoting efficiency.

Ladies and gentlemen,

Over the past eight years the Asia Pacific Telecommunity has been actively involved in bringing together, and making available, telecommunications specialists from within the Asia Pacific region.

The organisation by the Asia-Pacific Telecommunity of seminars and workshops, visits and advice by experts and fellowships for training of personnel, provide practical co-operative assistance to the region. I am pleased that the telecommunications organisations within Australia have played their part in this process, including through traineeships, and management studies.

Let me close then by wishing you every success in your discussions and in your work in your own countries at the conclusion of this meeting.

\*\*\*\*\*