

Australian Media Reform

New digital channels, boundaries and balances

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Policy and legislative developments

March 2006:

- DCITA *Discussion Paper on Media Reform Options* released.
- ACMA *Discussion Paper on Future Use of Unassigned Channels* released.

14 September 2006:

- Three media reform bills introduced to Parliament.

28 & 29 September

- Senate Environment, Communications, Information Technology and the Arts Committee hearings

6 October 2006

- Senate Committee due to report on the three released bills.

9 – 19 October 2006:

- Senate sitting, debate of the bills anticipated.

Media reform regulatory package

- The three principal bills released to date are:
 - Broadcasting Legislation Amendment (Digital Television) Bill 2006
 - Broadcasting Services Amendment (Media Ownership) Bill 2006
 - Communications Legislation Amendment (Enforcement Powers) Bill 2006.
- On 12 September 2006, Senator Coonan released a background paper on the proposed allocation of spare spectrum for new digital services and indicated legislation will be tabled shortly.

New channels: framework

- No fourth commercial television network.
- Two unassigned digital channels throughout Australia will be allocated for new digital services.
- Senator Coonan on 13 July 2006:

These channels have the potential to deliver a range of new and innovative services to consumers, which could include up to 30 channels under some uses, and would be an opportunity for industry to expand and respond to the challenges of the digital environment.

New channels: overview

- Allocation of channels
- Content restrictions
- Licensee restrictions
- Licence conditions
- Auction process
- Licence fees
- Potential licensees
- Potential content suppliers

New channels: allocation

- Channels to be allocated through the issuing of datacasting transmitter licences (**DTLs**) under the Radiocommunications Act 1992.

New channels: content restrictions

- Channels cannot be used for traditional in-home free-to-air commercial television or subscription television.
- Permitted services:

Channel A

- In-home digital free-to-air services which could include:
 - datacasting
 - narrowcasting, e.g. religious, ethnic or home shopping channels.

Channel B

- A wider range of services which could include mobile TV.
- Potential model: mobile TV offering integrated with 3G mobile phone services and internet services, possibly on a subscription basis.

Content restrictions: Channel A

- Currently, DTLs can only be used to provide the limited range of services permitted under a datacasting content licence.
- Schedule 6 of the Broadcasting Services Act 1992 sets out restrictions on content provided under a datacasting content licence:
 - information-only programs
 - educational programs
 - interactive computer games
 - parliamentary broadcasts
 - electronic mail
 - text or still visual images
 - news and current affairs programs, and business, financial and weather bulletins, in the form of short broadcast bulletins or interactive selection of stories on individual news items or topics.
- Content restrictions may be altered.

Content restrictions: Channel A

- In addition to datacasting services, Channel A can be used to provide narrowcasting services.
- Narrowcasting services are broadcasting services whose reception is limited in at least one of a number of ways specified in section 18 of the Broadcasting Services Act by:
 - being targeted to special interest groups
 - being intended for limited locations (e.g. arenas or business premises)
 - being provided during a limited period or to cover a special event
 - because they provide programs of limited appeal
 - for some other reason.

Content restrictions: Channel B

- Wider range of services, e.g. mobile TV.
- International trials indicate preference for “snack content”, e.g. news headlines, sports highlights, music videos.
- New technology standards will increase available options.

New channels: licensee restrictions

Channel A

- Incumbent free-to-air broadcasters prohibited from controlling channel.
- Bidders will be subject to criteria relating to financial capability and willingness to roll out and maintain services.

Channel B

- Incumbent free-to-air broadcasters can control channel.
- Senator Coonan had previously indicated the free-to-air broadcasters would be blocked from buying both channels.

New channels: licence conditions

Channel A

- ACMA power to impose conditions relating to the rollout of services.

Channel B

- 18 month use it or lose it obligation.
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New channels: auction process

- DTLs will be allocated through an auction process conducted by ACMA.
- Details yet to be released.
- Auction process to commence as soon as possible in 2007.
- The two channels will be sold individually, not as a package.
- Australia-wide licences.
- 10 year licences. Single renewal option of 5 years.

New channels: licence fees

Channel A

- Annual licence fee based on revenue.

Channel B

- No annual licence fee.
 - Revenue models not year clear.
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A changing landscape: potential licensees

- Will there be any bidders for Channel A?
 - ACA's proposed auction of datacasting transmitter licences was cancelled in May 2001.
 - Government will impose financial criteria for bidder participation.
- Who are the likely bidders for Channel B?
 - Likely bidders: Ten, Seven, PBL, Foxtel, News, Telstra, Macquarie Bank.
 - News: waiting for clarification on content restrictions.
 - Macquarie Bank: not decided, but is not ruling out partnerships with other media companies.
 - Fairfax: will not be bidding for either channel.

A changing landscape: content suppliers

- Who are the likely content providers?
 - Free-to-air broadcasters will be able to provide content to either channel.
 - Senator Coonan on 12 September 2006:
This strikes a balance between the objective of encouraging new operators in the digital television sector with the need to ensure that new services are sustainable and successful.
- How will content be regulated?
 - Will mobile TV content providers be required to comply with the same regulatory obligations as free-to-air broadcasters?