



Office of the
eSafety Commissioner

ANNUALREPORTS

Australian Communications and Media Authority

Office of the eSafety Commissioner

17
18

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This report includes the 2017–18 annual reports for the Australian Communications and Media Authority and the Office of the eSafety Commissioner.



Australian Communications and Media Authority

The ACMA's purpose is to maximise the economic and social benefits of communications and media for Australia.

We achieve this by fostering a communications and media environment that balances the needs of industry and the Australian community through education and advice, facilitation of access to resources, and regulation.

By working closely with stakeholders to safeguard the public interest, address the concerns of the community and meet the needs of industry, the ACMA supports and encourages an innovative communications and media sector.

This work allows us to realise our vision: A connected, informed, entertained Australia.

Find out more at acma.gov.au.



Office of the eSafety Commissioner

The Office of the eSafety Commissioner (the Office) is responsible for promoting online safety for all Australians. The Office is committed to helping Australians have safer, more positive online experiences.

The Office coordinates the online safety efforts of Commonwealth departments, authorities and agencies. The Office has a broad remit, which includes providing a complaints service for Australian children who experience serious cyberbullying and investigating reports of illegal online content.

The Office also provides audience-specific educational tools to help inform all Australians about online safety, including young people, women, teachers, parents, seniors and community groups, as well as operating a portal to report image-based abuse.

The Commissioner is an independent statutory officer. The Office was established under the *Enhancing Online Safety for Children Act 2015*, which was amended in June 2017 to be the *Enhancing Online Safety Act 2015* (EOS Act). The amendment expanded the Commissioner's remit to promote and enhance online safety for all Australians.

Section 67 of the EOS Act provides that the ACMA must assist the Commissioner to perform the functions and powers of the Office to such extent as the Commissioner reasonably requires. Such assistance can include, but is not limited to, the provision of administrative resources such as payroll and human resource services.

Find out more at esafety.gov.au.

About this report

This report contains details of the ACMA's and the Office's performance for 2017–18, key corporate information, and details against the mandatory reporting requirements.

As a primary mechanism of accountability to the Parliament of Australia, this report has been prepared in line with the requirements for annual reports for agencies under the *Public Governance Performance and Accountability Act 2013* (PGPA Act). It uses the same program structure as outlined in the ACMA's 2017–18 Portfolio Budget Statements.

Guide to the report

Introduction outlines the joint nature of this report and the performance framework.

Part 1 contains reporting information for the ACMA, including the Annual Performance Statement in Chapter 3.

- > Chapter 1: The year in review
 - > Chapter 2: Overview
 - > Chapter 3: Report on performance
-

Part 2 contains reporting information for the Office.

- > Chapter 4: The year in review
 - > Chapter 5: Overview
 - > Chapter 6: Report on performance
 - > Chapter 7: Accountability arrangements
-

Part 3 reports on joint management and accountability information for both the ACMA and the Office.

- > Chapter 8: Management and accountability
-

Part 4 contains the appendixes, which include information for both the ACMA and the Office.

Aids to access include:

- > tables of contents (overarching, and at the beginning of each part and chapter)
- > index
- > glossary
- > list of requirements (Appendix 12).

Performance framework

The ACMA and the Office provide a range of reporting information across each financial year to demonstrate a clear outline of purpose, programs and outcomes.

The ACMA's Portfolio Budget Statements (PBS) set out the strategic outcomes and performance indicators for both the ACMA and the Office. The ACMA's corporate plan is aligned to the PBS and details performance information on contributions specifically attributable to the ACMA. Performance results for the ACMA are included in this report, with a high-level summary in the Annual Performance Statement on pages 28–46.

Performance results for the Office are reported throughout the year on its website and in this report. The Office is not a Commonwealth entity under the PGPA Act and is not required to produce a corporate plan.

The ACMA publishes a regulator performance self-assessment at the end of the calendar year, measuring the efficiency and effectiveness with which we undertake our role, and our impact on regulated entities.

the 1990s, the number of people who have been employed in the public sector has increased in all countries. The increase in public sector employment has been particularly rapid in the United Kingdom, where the public sector has grown from 10.5% of the total workforce in 1970 to 17.5% in 1995 (see Figure 1).

There are a number of reasons for the increase in public sector employment. One reason is that the public sector has become a more important part of the economy. In many countries, the public sector has become a major employer of people, particularly in the service sector. Another reason is that the public sector has become a more attractive place to work. This is because of the higher wages and benefits that are offered in the public sector compared to the private sector.

There are also a number of reasons for the increase in public sector employment in the United Kingdom. One reason is that the public sector has become a more important part of the economy. In the United Kingdom, the public sector has become a major employer of people, particularly in the service sector. Another reason is that the public sector has become a more attractive place to work. This is because of the higher wages and benefits that are offered in the public sector compared to the private sector.

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Part 1

Australian Communications and Media Authority

annual report 2017–18

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**This report is available on the ACMA
website at www.acma.gov.au/annualreport**

Enquiries about this report can be emailed to the
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Chair and Agency Head

10 September 2018

Senator the Hon Mitch Fifield
Minister for Communications and the Arts
Parliament House
CANBERRA ACT 2600

Dear Minister

In accordance with subsection 46(1) of the *Public Governance, Performance and Accountability Act 2013*, and section 57 of the *Australian Communications and Media Authority Act 2005*, I am pleased to present the annual report on the activities of the Australian Communications and Media Authority (the ACMA) for the 2017–18 reporting year.

Further, in accordance with the Public Governance, Performance and Accountability Rule 2014, I certify that:

- (i) fraud risk assessments and fraud control plans have been prepared for the ACMA
- (ii) appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the needs of the ACMA are in place
- (iii) all reasonable measures have been taken to deal appropriately with fraud relating to the ACMA.

The annual report of the Office of the eSafety Commissioner (the Office) is also presented here. The eSafety Commissioner is responsible for the annual report on the activities of the Office, as required by the *Enhancing Online Safety Act 2015*.

Yours sincerely

Nerida O'Loughlin

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Chapter 1

The year in review

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Chapter 1 includes the review by the Chair, which details significant issues and developments, as well as a snapshot of our year.



Chair's foreword

I am pleased to present the 2017–18 annual report of the Australian Communications and Media Authority (ACMA), which highlights the depth and breadth of our work over the past year.

This is my first report since my appointment as Chair in October 2017. I would like to acknowledge the contribution of Richard Bean in his role as Acting ACMA Chair from 2016 and as Deputy Chair from 2010. Richard has made a significant contribution to the ACMA during this time and, through his leadership, set the agency up well to deliver on the outcomes described in this report.

The communications and media landscape continued to disrupt, and be disrupted, during 2017–18. Changes in technology, markets, industry structures and consumer preferences (and concerns) are rapid, profound and, if anything, only accelerating.

Following the 2017 Review of the ACMA, we have been implementing recommendations agreed by the government to ensure the ACMA is a fit-for-purpose sectoral regulator for this rapidly changing communications and media environment.

At the same time, we have been tackling new responsibilities and addressing new consumer concerns as well as delivering on our extensive and enduring regulatory responsibilities.

A key change in the Australia telecommunications market has been the establishment and rollout of the wholesale-only National Broadband Network (NBN). In response to consumer concerns, we announced a comprehensive evidence-gathering program in August 2017, including industry information, consumer research and a review of consumer information. This provided the evidence base for our announcement in December 2017 of a package of regulatory measures to give consumers greater protections when migrating to services provided by their telco over the NBN.

Our aim is to make sure that consumers have a smooth migration to services over the NBN and they can fully benefit from the opportunity that the new network presents. In 2018–19, we will move from the imposition of these rules on industry to monitoring and compliance.

We have also been implementing new restrictions on gambling services following decisions by the government and the parliament.

In September 2017, our role was expanded under the *Interactive Gambling Act 2001* (IGA) to enable us to enforce prohibitions against providers or advertisers of illegal interactive gambling online. Since then, we have been active in raising awareness of the new laws and promoting compliance through strategic engagement with Australian and international stakeholders and investigation activities. Our activities resulted in a number of prominent illegal offshore gambling sites restricting access to Australians.

On 30 March 2018, new broadcasting code restrictions related to gambling advertising during live sports broadcasts also came into effect. The ACMA negotiated with broadcast industry bodies to develop the new broadcasting industry Codes of Practice, which bring the government's policy position on gambling advertising restrictions into reality. We also worked with the online streaming sector to prepare parallel rules for live streamed sports content.

Some of the less visible work of the ACMA is that of supporting major events through our radiocommunications interference management activities. This year we were contracted by the Gold Coast 2018 Commonwealth Games Organising Committee to provide interference management support for the Games held in April 2018. An ACMA team of up to 35 was deployed to ensure there were no interference issues between the many cameras, microphones, monitors, phones and other electronic devices in use across numerous locations that could impact the success of local and international broadcasts of the Games.

These priority activities illustrate the breadth of the ACMA's roles and are described in more detail in case studies included in this report.

The telecommunications industry's demands mean that spectrum management continues to be a high priority for the ACMA. The next wave of mobile technology—known as 5G—is at the forefront of industry's future growth plans. 5G offers higher speed with lower latency and greater flexibility and is seen as being able to support increased productivity in industry sectors where it is used. We held a multiband spectrum auction that concluded early in 2018 and we are now preparing for a major auction of spectrum in the 3.6 GHz band in the next reporting period.

From an organisational perspective, we have re-invigorated our enabling strategies to ensure we have the capability and skills to deliver on our expanded remit. This has started with the development of a three-year Information and Communications Technology Strategy 2017–20 and an enhanced leadership capability development program.

We also continued our ambitious program of consumer and industry research. As an evidence-based regulator, we need to be well-informed about the challenges facing both consumers and industry in the constantly disrupted communications space. Our research has become increasingly important, as fast-moving trends require fast-moving regulatory responses.

We continued to work closely with our stakeholders to ensure that our regulatory responses were fit-for-purpose across the full range of our regulatory activities. These activities, and their progress in 2017–18, are fully outlined in this report. It gives an important summation of the work of the ACMA and the achievements of its hard-working and professional staff.

In hindsight, I expect that 2017–18 will be seen as a transition year for the ACMA as it moves to a new Authority model, remit, membership and operating model, as espoused in the ACMA Review.

In 2018–19, our focus will be on positioning the ACMA for what the future looks like in 2022. Over the next few years, we expect to see unprecedented innovation in the global communications and media environment driven by accelerating advances in technology. These have the potential to deliver great benefits for the community but also challenges, as new technologies and platforms test the boundaries of our regulatory frameworks.

I thank my Authority colleagues and the ACMA staff for the outcomes they have achieved for the Australian community in 2017–18. I look forward to the year ahead as we continue to deliver public benefit through the regulation we administer, within an increasingly complex and dynamic environment.



Nerida O'Loughlin
Chair

Our year at a glance

Investigations



761 conducted, for:

BROADCASTING **74**

TELCO CONSUMER PROTECTION **31**

RADIOCOMMUNICATIONS **585**

INTERACTIVE GAMBLING **53**

UNSOLICITED COMMUNICATIONS **18**

Informal warnings and advice



3,575 issued, for:

BROADCASTING **74**

TELCO CONSUMER PROTECTION **75**

TELECOMMUNICATIONS—OTHER **52**

UNSOLICITED COMMUNICATIONS **3,374**

Formal warnings and advice



502 issued, for:

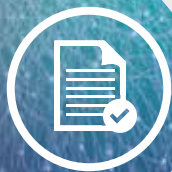
TELCO CONSUMER PROTECTION **9**

RADIOCOMMUNICATIONS **474**

INTERACTIVE GAMBLING **17**

UNSOLICITED COMMUNICATIONS **2**

Enforceable undertakings



3 undertaken, for:

TELCO CONSUMER PROTECTION **1**

UNSOLICITED COMMUNICATIONS **2**

Infringement notices and directions to comply



8 infringement notices issued, for:

UNSOLICITED COMMUNICATIONS **5**

RADIOCOMMUNICATIONS **3**

4 directions to comply, for:

TELCO CONSUMER PROTECTION **4**

Stakeholder engagement



PUBLIC CONSULTATIONS **48**

TARGETED E-BULLETINS SENT **145**

MEDIA RELEASES ISSUED **40**

CUSTOMER ENQUIRIES ACTIONED **37,680**

Licensing



16,332 licences allocated or issued, for:

BROADCASTING **270**

TELECOMMUNICATIONS **27**

RADIOCOMMUNICATIONS **16,035**

154,556 renewed, for:

BROADCASTING **119**

RADIOCOMMUNICATIONS **154,437**

Legislative instruments



46 legislative instruments made

Chapter 2

Overview

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Chapter 2 details the role, functions and organisational structure that enable the ACMA to administer regulations and legislation and deliver our services.

Functions and responsibilities

The ACMA's regulatory functions are set out in Part 2, Division 2 of the *Australian Communications and Media Authority Act 2005* (ACMA Act). During the reporting period, the ACMA was a statutory authority within the Communications and the Arts portfolio. Senator the Hon Mitch Fifield, Minister for Communications and Minister for the Arts, was responsible for the portfolio.

The ACMA is responsible for the regulation of broadcasting, radiocommunications, telecommunications and some online content in accordance with four principal acts—the *Radiocommunications Act 1992*, *Telecommunications Act 1997*, *Telecommunications (Consumer Protection and Service Standards) Act 1999* (TCPSS Act) and *Broadcasting Services Act 1992* (BSA). There are another 22 Acts to which the agency responds, in areas such as spam, the Do Not Call Register and interactive gambling.

In accordance with the relevant legislation, our specific responsibilities include:

- > regulating telecommunications and broadcasting services, internet content, interactive gambling and datacasting services
- > managing access to radiofrequency spectrum bands through radiocommunications licence arrangements and resolving competing demands for that spectrum through price-based allocation methods
- > planning the availability of segments of radiofrequency spectrum bands used by broadcasting services, and managing access to that spectrum through broadcasting licence arrangements
- > regulating compliance with the relevant legislation, licence conditions, codes of practice, standards, service guarantees and other safeguards
- > upholding community safeguards and protections
- > promoting and facilitating industry self-regulatory and co-regulatory solutions to emerging issues
- > exercising powers, where necessary, to create legislative and other instruments, often in the form of standards or service provider rules
- > facilitating the provision of community information to promote informed decisions about communications products and services
- > reporting on matters relating to the communications industry, including its performance
- > representing Australia's communications interests internationally
- > advising the government on specific matters from time to time.

The Authority

During the reporting period, there were a number of structural and membership changes to the Authority.



Acting Chair—Richard Bean

*Appointed Deputy Chair 14 October 2010 for five years
Re-appointed until 13 October 2017*

Richard Bean commenced as Acting Chair of the ACMA in February 2016.

During his career, Richard has worked in a variety of senior roles in Australia's media and communications industries. Before joining the ACMA, he was general counsel and company secretary at Unwired Group Limited, a listed wireless broadband infrastructure owner, spectrum licensee and ISP. He had previously held positions responsible for the legal and business affairs side of free-to-air television broadcaster Network Ten's programming activities, and practised as a commercial, media and litigation lawyer at national law firm Blake Dawson Waldron (now Ashurst).

Richard holds a Bachelor of Arts (Honours) from the University of Sydney and a Bachelor of Laws from the University of New South Wales.



Chair and Agency Head—Nerida O'Loughlin

Appointed 14 October 2017 for five years

Nerida O'Loughlin was appointed as Chair of the ACMA from 14 October 2017. From 2011, Nerida was a Deputy Secretary in the Department of Communications, where she led the Digital Television Switchover Program until 2013 and was responsible for a diverse range of policy, program and project areas. She also served as interim CEO of the Digital Transformation Agency from 2016 to 2017.

Nerida has worked in Commonwealth and state government agencies, predominantly in technology and content policy and program roles. Nerida also worked at the ACMA from 2006 to 2011 in general manager roles.



Deputy Chair and CEO—Creina Chapman

Appointed 11 June 2018 for five years

Creina Chapman has held a number of senior executive and strategic adviser roles at commercial media companies Southern Cross Austereo, News Corp, Publishing & Broadcasting Limited and the Nine Network. Her experience in the media and communications sector is gained from organisations spanning television, radio, print, mobile services, podcasting and online services that serve metropolitan, regional and remote Australian markets.

Creina has also been a senior policy adviser to federal members of parliament including former Senator Richard Alston, Minister for Communications, Information Technology and the Arts, and former Treasurer Joe Hockey MP.



Full-time Member—James Cameron

Appointed Part-time Member 5 August 2013 for five years

Appointed Full-time Member 9 July 2015 to 4 August 2018

Appointed Acting Deputy Chair 24 February 2016 to 30 June 2017

Appointed Acting Deputy Chair 30 June 2017 to 30 September 2017

Appointed Acting Deputy Chair 30 September 2017 to 31 March 2018

Appointed Acting Deputy Chair 1 April 2018 to 8 June 2018

James Cameron has over 20 years of Australian Government public policy experience, including senior executive roles in the telecommunications, radiocommunications, broadcasting and digital economy fields.

James has held executive positions managing government policies and programs supporting Australia's arts and sports sectors and, immediately prior to joining the ACMA, was Chief Executive Officer of the National Water Commission.



Full-time Member—Chris Jose

Appointed 1 May 2018 for five years

Chris Jose has extensive experience in government and private legal practice, with a primary focus on competition and consumer law, and public administration. After various government roles, including with the Trade Practices Commission (predecessor to the Australian Competition and Consumer Commission), Chris has advised corporate and government clients on a range of regulatory and consumer affairs matters. Most recently, he was a partner and consultant at Herbert Smith Freehills, specialising in competition and consumer law and the economic regulation of markets.

In his telecommunications regulatory practice, Chris has advised governments and corporate clients on competition, consumer impacts, economic regulation and access to infrastructure. As the principal regulatory adviser to the Papua New Guinea Government on comprehensive reforms of the Information and Communications Technology sector in PNG, he guided the government in the reformulation of the National ICT Policy, and the development and implementation of a new regulatory framework for the ICT sector in PNG.



Part-time Member—Anita Jacoby

Appointed 5 August 2013 for five years

Anita Jacoby is a broadcast executive and company director with more than 25 years' experience in media and communications. A creative with a background as a multi-award-winning television, current affairs and film producer, Anita has created hundreds of hours of original content across almost all genres, and for every free-to-air network and Foxtel. Most recently, she was Managing Director of ITV Studios Australia, responsible for the local operations of this global company.

Anita's work has been recognised with six AFIs/AACTAs, a Logie and various other industry awards. She is currently on the National Advisory Board of Women in Media and has been a non-executive director on a number of not-for-profit boards, including headspace and Arts Law Centre Australia.



Part-time Member—Rosemary Sinclair AM

Appointed 5 August 2013 for five years

Rosemary Sinclair is CEO of Energy Consumers Australia, a company established by COAG Energy ministers. Rosemary was a Member of the Telecommunications Universal Service Management Agency and Chair of the Regional Telecommunications Inquiry 2011–12. She was CEO of the Australian Telecommunications Users Group and Director of Strategic Development at the Australian Broadcasting Corporation.

In June 2018, Rosemary was awarded an Order of Australia medal for service to business, in particular, significant leadership and administrative roles in the telecommunications industry.

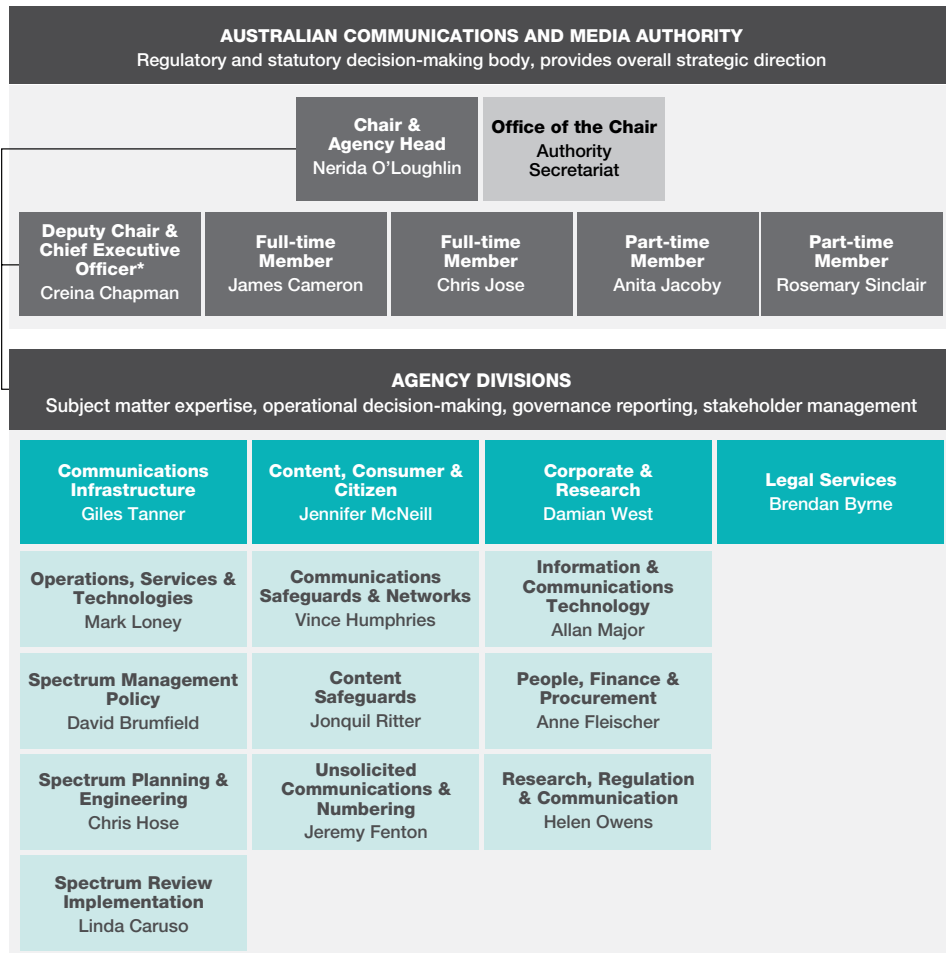
Agency structure

The ACMA's day-to-day activities are managed by the Chair, the Deputy Chair and Chief Executive Officer (CEO), four general managers and 10 executive managers.

The ACMA's organisational structure at 30 June 2018 is set out in Figure 2.1.

At 30 June 2018, the ACMA had 439 employees under the *Public Service Act 1999*, most of whom are located in our offices in Canberra, Melbourne and Sydney. We also have employees located in offices in Brisbane, Hobart and Lucas Heights. Detailed information about our staff is provided in Appendix 2.

Figure 2.1: Organisational structure as at 30 June 2018



*The Chief Executive Officer reports to the Agency Head, but does not report as Deputy Chair to the Chair.

- General managers
- Executive managers

Chapter 3

Report on performance

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Chapter 3 outlines the ACMA's performance and how we work to deliver our outcomes. It includes the Annual Performance Statement with tables summarising our performance results. This is followed by a more detailed discussion of our results including case studies and practical examples of our work throughout the year.

ACMA performance framework

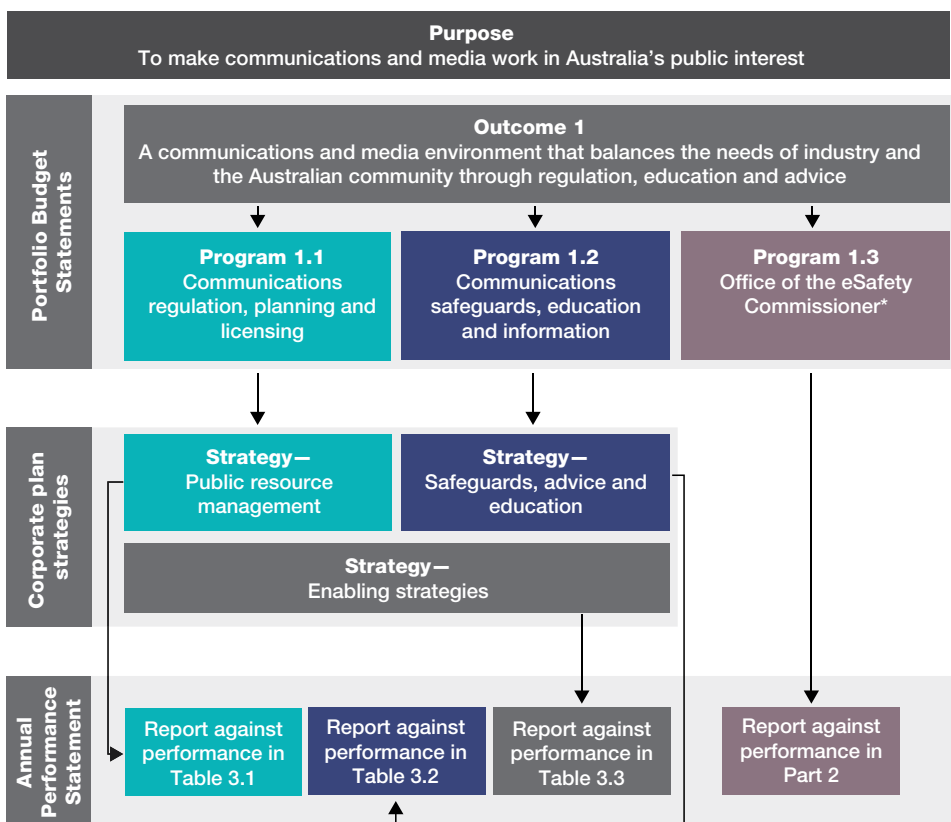
The ACMA's strategic vision was framed around the following three strategies set out in our corporate plan for 2017–18. These strategies work to align our performance reporting with the outcomes specified in our PBS.

- > **Public resource management**
We manage the radiofrequency spectrum and other public communication resources for the benefit of all Australians.
- > **Safeguards, advice and education**
We provide regulatory safeguards, education and advice to promote confidence in media and communication services in Australia.
- > **Enabling strategies**
We deliver valued services and expertise to support public interest outcomes and our stakeholders.

Our performance information is described under each of these strategies in terms of activities, performance measures and targets.

Figure 3.1 shows how the PBS and corporate plan align in achieving the ACMA's purpose. This figure also maps the relevant performance reporting tables in the Annual Performance Statement (APS) to the strategies in the corporate plan.

Figure 3.1: Alignment of the ACMA's PBS, corporate plan and APS



* This is referred to as *Program 1.3 Office of the Children's eSafety Commissioner* in the 2017–18 PBS.

Annual Performance Statement

Introductory statement

I, Nerida O’Loughlin, as the accountable authority of the Australian Communications and Media Authority, present the 2017–18 Annual Performance Statement of the Australian Communications and Media Authority, as required under subsection 39(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, this Annual Performance Statement accurately reflects the performance of the Australian Communications and Media Authority and complies with subsection 39(2) of the PGPA Act.



Nerida O’Loughlin
Chair

I, Julie Inman Grant, eSafety Commissioner, present the following information in relation to the Office of the eSafety Commissioner. In my opinion, this information accurately reflects the performance of the Office of the eSafety Commissioner in the 2017–18 financial year.



Julie Inman Grant
eSafety Commissioner

Entity purpose

To make communications and media work in Australia's public interest.

Performance measurement methodology

We measure our performance using a range of internal reporting and data collection processes, including surveys, statistical information and research. We have a broad remit and our performance is reflected in a variety of quantitative measures and qualitative evidence.

Results

Results have been assessed as:



MET—all target outputs achieved or exceeded in 2017–18



ONGOING—target outputs achieved in 2017–18, program ongoing



PARTIALLY MET—majority of target outputs achieved in 2017–18



NOT MET—major target outputs not achieved in 2017–18.

Outcome 1: A communications and media environment that balances the needs of industry and the Australian community through regulation, education and advice

The communications and media sector is a key enabler of Australia's transition to a digital future. In 2017–18, we delivered activities related to communications regulation, spectrum planning and licensing, and the provision of consumer safeguards, education and information.

Program 1.1: Communications regulation, planning and licensing

We met all performance measures for *Program 1.1: Communications regulation, planning and licensing*—see Table 3.1. The public resource management strategy from our corporate plan is aligned with Program 1.1, as shown in Figure 3.1.

Program 1.2: Consumer safeguards, education and information

We met all performance measures for *Program 1.2: Consumer safeguards, education and information*—see Table 3.2. The safeguards, advice and education strategy from our corporate plan is aligned with Program 1.2, as shown in Figure 3.1.

Corporate support activities

We met nine and partially met two performance measures for the enabling strategies from our corporate plan—see Table 3.3. As shown in Figure 3.1, activities under this strategy are aimed at enabling and supporting work across the ACMA.


Program 1.3: Office of the eSafety Commissioner



Program 1.3 from the ACMA's PBS outlines performance measures that relate solely to the work of the Office of the eSafety Commissioner. As an independent statutory office, the Commissioner reports on performance against these measures. All 2017–18 PBS measures were met. Performance information is contained in Part 2 of this document, *Office of the eSafety Commissioner annual report 2017–18*.

Strategy: Public resource management

We manage the radiofrequency spectrum and other public communication resources for the benefit of all Australians.

Table 3.1: APS performance results for PBS Outcome 1, Program 1.1

Public resource management	Source	Result
<p>Activity: We plan the availability of Australia’s radiofrequency spectrum to optimise its value to the Australian community.</p>		
<p>Performance measure: Regulatory arrangements support movement of spectrum to its highest value use.</p>	<p>PBS, p. 96 Corporate plan (CP), p. 11</p>	
<p>Target:</p> <ul style="list-style-type: none"> > Annual release of the five-year spectrum outlook and priorities for the spectrum management work program after consultation with government and industry. We communicate our spectrum management priorities through our five-year spectrum outlook (FYSO). In 2017–18, we also began using the FYSO to consult with stakeholders on a range of planning and prioritisation issues. The ACMA is moving to align the FYSO process with the expected requirements of the Radiocommunications Bill 2018, should it become law. The FYSO 2017–21 was published in October 2017. We received 29 submissions before the closing date in January 2018. In 2018, the ACMA moved to a new process involving the publication of a draft FYSO ahead of a final FYSO. The draft 2018–22 FYSO was published for public comment in May 2018. > Work programs identify needs of spectrum users and potential bands for assessment of changed highest value use. We released our forward allocation work plan as part of the FYSO release in May 2018. This plan is intended to give incumbent and prospective spectrum users indicative information about the timing and sequencing of the price-based allocation of licences in a number of spectrum bands. This complements specific consultation and assessment that we undertake on potential changes to band use. For example, in 2017–18, a highest value use assessment was conducted for the 3.6 GHz band and outlined in <i>Future use of the 3.6 GHz band</i> (October 2017). 		

Public resource management	Source	Result
<p>Activity:</p> <p>We allocate and license access to the radiofrequency spectrum, using both administrative and market-based methods, ensuring adequate provision for defence, public safety and community purposes.</p>		
<p>Performance measure:</p> <p>Spectrum users are able to access spectrum on terms and conditions that meet their needs, subject to other users and spectrum management objectives.</p>	<p>PBS, p. 96 CP, p. 11</p>	
<p>Target:</p> <ul style="list-style-type: none"> > <i>Spectrum users and licensees have opportunities to provide their views to the ACMA.</i> > <i>Advice to government and spectrum users about market-based approaches is provided throughout the spectrum reallocation process.</i> <p>Auction methodologies and reserve prices are set by legislative instrument and are available on the Federal Register of Legislation. Between October and December 2017, following extensive consultation about the future use of these bands, we announced decisions about reallocating the 3.6 GHz band and reconfiguring the 890–915/935–960 MHz band for increased 4G and 5G spectrum licensing. The minister accepted our recommendation to reallocate the 3.6 GHz band and preparations for the auction are underway.</p> > <i>Administrative pricing arrangements are implemented in a timely manner.</i> <p>Annual updates to the administrative pricing formula were implemented 1 April 2018. Updates to the spectrum licence tax have been consulted on, with changes to be implemented in the context of the 3.6 GHz auction.</p> > <i>Reserve prices are set and advice about auction methodologies provided prior to auction.</i> <p>The multiband residual auction (allocating residual lots in the 1800 MHz, 2 GHz, 2.3 GHz band and 3.4 GHz band) was completed in December 2017, following an October 2017 invitation to participate, which included details about the auction methodology and reserve price. We also released consultation papers on a possible second auction (3.6 GHz band).</p> 		
<p>Activity:</p> <p>We administer licensing and number allocation arrangements that promote efficiency, innovation and competition in the Australian telecommunications industry.</p>		
<p>Performance measure:</p> <p>Administering licensing and number allocation arrangements that promote efficiency, innovation and competition in the Australian telecommunications industry.</p>	<p>PBS, p. 96 CP, p. 12</p>	
<p>Target:</p> <ul style="list-style-type: none"> > <i>Apparatus licences allocated within statutory time frames.</i> <p>99 per cent of assigned apparatus licences and 100 per cent of unassigned apparatus licences were allocated within 90 days. This is higher than our benchmark of 90 per cent of licences allocated within 90 days.</p> 		

Public resource management

Source

Result

> ***Allocation of carrier licences within statutory time frame of 20 business days.***

All carrier licences were issued within the standard 20 business days statutory time frame. The average allocation time was 15 business days for new carrier licences.

> ***Numbering provider meets 100 per cent of contractual milestones.***

The Telecommunications Numbering Plan was maintained in line with the requirements of the Telecommunications Act. Number allocation and transfer services were available throughout the period, and we monitored industry compliance with the relevant telecommunication industry codes and standards.

As contractor for the Numbering System, ZOAK Pty Ltd met all contractual obligations and key performance indicators.

Activity:

We mandate technical standards to reduce interference and health and safety risks associated with the operation of radiocommunications devices, and administer submarine cable protection zones.

Performance measure:

Technical rules and systems support increasing levels of assignment activities by third parties.

PBS, p. 97

CP, p. 12



Target:

> ***At least 90 per cent of frequency assignments are made by accredited persons.***

97 per cent of all frequency assignments were made by accredited persons in 2017–18.

> ***100 per cent of device registrations are performed by accredited persons.***

All device registrations in 2017–18 were made by accredited persons.

Activity:

We manage the risk of interference and other harms through investigation and other compliance and enforcement activities, and education programs.

Performance measure:

Compliance and enforcement work informed by identifying priority compliance areas in consultation with industry.

PBS, p. 96

CP, p. 12



Target:



> ***Priority compliance areas for 2017–18 published by December 2017 after consultation with industry.***

Priority compliance areas (PCAs) were published in October 2017 after consultation with industry. Refer page 59.

> ***On average, complaints about interference are resolved in fewer than 45 days and investigations are completed within 90 days.***

In 2017–18, complaints about interference were resolved in an average of 37 days and compliance investigations were completed in an average of 22 days. The targets are set administratively by the ACMA to reflect the nature of the offences being investigated and in a way that reflects our role and remit. This year the targets were substantially exceeded due to a larger number of investigations into minor non-compliance matters, which arose from proactive work in the lead up to the Gold Coast 2018 Commonwealth Games.



We expect that performance against targets for compliance investigations will return to more normal levels this financial year.

Public resource management	Source	Result
<p>Activity: We represent Australia in international spectrum management forums and on satellite coordination, and empower third parties to provide support services.</p>		
<p>Performance measure: Effective leadership and coordination of Australian industry participation in international spectrum harmonisation and satellite coordination processes.</p> <p>Target:</p> <ul style="list-style-type: none"> > <i>International satellite coordination services provided in accordance with established processes and agreements.</i> Satellite coordination services continue in accordance with established processes. Over the reporting period, we delivered satellite coordination and notification services according to ACMA procedures. > <i>Support Australian participation in the International Telecommunication Union Radiocommunication Sector (ITU-R) and regional spectrum management forums.</i> In 2017–18, we managed or co-managed 21 Australian delegations to international radiocommunications meetings to influence harmonisation outcomes in the national interest and two bilateral meetings on satellite coordination. Refer page 52. 	<p>PBS, p. 96 CP, p. 13</p>	
<p>Activity: We will help modernise Australia's spectrum management framework by implementing new spectrum management legislation.</p>		
<p>Performance measure: Program of work established to deliver reforms and manage transition to new regulatory arrangements.</p> <p>Target:</p> <ul style="list-style-type: none"> > <i>Implementation activities arising from the Spectrum Review are delivered in accordance with one- and five-year work plans.</i> Spectrum Review implementation preparatory activity continued. The FYSO 2017–21 was released for public comment in October 2017 and submissions closed in January 2018. Consultation on the draft FYSO 2018–22 was undertaken in May 2018—this was earlier than previous years to move to a new consultation cycle in which we intend to publish our spectrum work program before or at the start of 2018–19. The timing and sequencing of this consultation process more closely reflects the Spectrum Review's recommendation for the preparation of a spectrum work program. Refer page 51. 	<p>PBS, p. 97 CP, p. 13</p>	

Strategy: Safeguards, advice and education

We provide regulatory safeguards, education and advice to promote confidence in media and communications services in Australia.

Table 3.2: APS performance results for PBS Outcome 1, Program 1.2

Safeguards, advice and education	Source	Result
<p>Activity: We make, register and apply rules that:</p> <ul style="list-style-type: none"> > safeguard Australians using communications and media services > support the needs of emergency services, law enforcement and national security organisations. <p>Performance measure: Regulatory instruments and co-regulatory industry codes meet contemporary industry and community needs, and are registered or made promptly.</p> <p>Target:</p> <ul style="list-style-type: none"> > Research into industry and community needs is undertaken and informs regulatory reviews, the development of industry codes and other regulatory instruments. We undertake a significant body of research to ensure the rules we make are relevant and appropriate. Research into consumer experiences of migrating to the National Broadband Network (NBN) and an industry information-gathering exercise were key inputs into the development of a suite of five new legislative instruments to improve the experience of consumers moving to the NBN. Refer to case study on page 73. > Statutory reviews and/or remaking of rules and frameworks is undertaken within published time frames. We registered a range of codes and made determinations within set time frames, including consulting on content service provider rules, as well as the commencement of the Broadcasting Services Local Programming Determination 2018. We also reported to the minister in May 2018 on our implementation of recommendation 6 of the Review of the ACMA, conducted by the Department of Communications and the Arts (DoCA). 	<p>PBS, p. 99 Corporate plan (CP), p. 9</p>	
<p>Activity: We foster industry compliance through consultation, education and, where necessary, investigation and enforcement.</p> <p>Performance measure: Information about industry obligations and compliance priorities is accessible and potential industry non-compliance is promptly addressed.</p> <p>Target:</p> <ul style="list-style-type: none"> > Priority compliance areas for telecommunications, spam and Do Not Call are identified and published annually on the ACMA website. We published priority compliance areas for: <ul style="list-style-type: none"> > spam, telemarketing, fax marketing in August 2017 > compliance with the Integrated Public Number Database (IPND) in February 2018 > Telecommunications Consumer Protections Code requirements in March 2018. 	<p>PBS, p. 99 CP, p. 9</p>	

Safeguards, advice and education

Source

Result

> **The average time for completion of:**> **broadcasting and interactive gambling investigations is three months or sooner**

Broadcasting investigations were completed on average in 1.1 months and interactive gambling investigations in under 2.5 months.

> **telecommunications investigations is six months or sooner**

Telecommunications Consumer Protections Code investigations were completed on average in 3.4 months.

> **spam and Do Not Call investigations is eight months or sooner.**

Do Not Call investigations were completed on average in 3.6 months and spam investigations in 4.8 months.

> **Relevant investigation outcomes are published on the ACMA website.**

We publish investigation outcomes on our website for telecommunications, broadcasting, spam, and telemarketing compliance and enforcement actions.

Activity:

We inform and educate citizens about their rights and raise awareness about actions they can take to protect themselves from harm and improve their communications and media experience.

Performance measure:

Citizens have accessible information about their user rights, safeguards and protections, and avenues for complaints are provided.

PBS, p. 99

CP, p. 10

**Target:**> **Relevant and current information is available on the ACMA website and social media channels are used to deliver timely consumer alerts.**

We actively use social media channels to raise consumer awareness about new and existing safeguards, as well as issue alerts about scams identified through complaints and reports. In 2017–18, we ran 32 consumer-focused campaigns, which recorded more than 800,000 impressions and were shared more than 3,100 times across Facebook, Twitter, LinkedIn and Instagram. Campaigns included tips for avoiding unwanted marketing calls, scam alerts and information on enforcement actions taken against businesses for breaching telemarketing rules. We also provide information on our website to assist consumers and industry in understanding their rights and responsibilities and making complaints and enquiries.

Activity:

We provide the Do Not Call Register for Australians to opt out of receiving unwanted telemarketing calls and faxes.

Performance measure:


The Do Not Call Register is available to citizens and the telemarketing industry.

PBS, p. 99

CP, p. 10

**Target:**> **The Do Not Call Register is managed so that services are available 99 per cent of the time.**

The Do Not Call Register is operated under contract by Salmat Digital Pty Ltd, which actively manages service availability. In 2017–18, the DNCR was available for more than 99.5 per cent of its scheduled operating hours, exceeding the target of 99 per cent.

Safeguards, advice and education	Source	Result
<p>Activity:</p> <p>We advise government, industry and consumers about developments in the communications and media sectors through research and analysis, environmental scanning, stakeholder consultations and our regulatory experience.</p>		
<p>Performance measure:</p> <p>The ACMA's knowledge of the contemporary media and communications environment, its emerging issues and regulatory pressures is comprehensive, making it a sound and authoritative source of advice.</p>	<p>PBS, p. 99 CP, p. 10</p>	
<p>Target:</p> <p>> <i>Stakeholder forums and working groups are convened to gather evidence and support consultative processes.</i></p> <p>We undertook a range of consultative and stakeholder engagement activities including:</p> <ul style="list-style-type: none"> > convening meetings of the Consumer Consultative Forum, which provides information and advice to the ACMA on matters affecting consumers of communications services (October 2017/March 2018) > participating in Communications Alliance WC83 meetings on the review of the Mobile Phone Base Station Deployment Code > consulting with stakeholders on the development of a suite of five legislative instruments to improve the experience of consumers moving to the NBN. Refer case study, page 73 > contributed to and supported the Australian Children's Screen content review through regular liaison/communications with DoCA and Screen Australia and the provision of expert advice about the operation and effectiveness of the regulatory levers we administer in this context (namely, requirements for Australian and children's content). The ACMA was also represented on the steering committee that had oversight of the working taskforce and advised on strategic direction > convening an ACMA sub-committee to meet with and conduct intensive post-consultation code negotiations with Commercial Radio Australia, Free TV and the Australian Subscription Television and Radio Association about additional gambling advertising restrictions in their new codes > liaising with DoCA about the progress of the Online Content Services Bill and implementation of the Regional and Small Publishers Innovation Fund > liaising with DoCA and industry on approaches to prevent harm from overseas scam calls made over Voice over Internet Protocol (VoIP) networks. 		

Safeguards, advice and education

Source

Result

> ***Industry, government and non-government stakeholders are satisfied with our engagement with their organisations.***

We undertake a range of activities to assess different aspects of our engagement with our stakeholders. Overall, this feedback shows that our stakeholders are generally satisfied with their interactions with the ACMA.

Feedback from our customers who engage with our service centre provides us valuable insights to evaluate customer satisfaction. Over the past few years, we have contacted thousands of our customers to find out how we're doing. For the last three years, we have commissioned Woolcott Research & Engagement to contact ACMA customers and invite them to rate their experience with our service centre. In 2018, the overall satisfaction level was 72 per cent. This is a decrease from 80 per cent in 2017 but remains above the benchmark established in 2016 of 70 per cent total satisfaction. In addition:

- > 76.9 per cent of respondents to the annual Regulator Performance Framework stakeholder validation survey were either satisfied or very satisfied with our consultation on regulatory processes. Importantly, no respondents were either dissatisfied or very dissatisfied with such consultation. This is an improvement on the responses to our self-assessment for the 2015–16 reporting period.
- > In the reporting period, we received two complaints about the ACMA, an improvement on the 16 complaints received in 2016–17.

> ***Participation in international forums dealing with multi-jurisdictional issues and harms.***

In 2017–18, activities included:



- > participating in and presenting at the International Association of Gaming Regulators Conference and the ICE Totally Gaming event to build international awareness of Australia's interactive gambling laws (October 2017/February 2018)
- > participating in and presenting at the Unsolicited Communications Enforcement Network annual conference (October 2017).



Strategy: Enabling strategies



We deliver valued services and expertise to support public interest outcomes and our stakeholders.



Note: enabling strategies are not included in the PBS but are included in our corporate plan.



Table 3.3: APS performance results from corporate plan


Enabling strategies	Source	Result
<p>Activity: We enhance the capability of our workforce, so they can succeed.</p>		
<p>Performance measure: Our workforce is motivated to achieve public interest outcomes and is focused on identifying, developing and maintaining relevant skills and expertise.</p> <p>Target: > Annual improvement in Australian Public Service Census results for engagement, leadership, and learning and development. 80 per cent of ACMA employees took part in the Australian Public Service Census for 2017–18. Of those who participated, 91 per cent of our employees reported through the Australian Public Service Census that they have the appropriate skills, capabilities and knowledge to do their job. We maintained engagement scores and returned positive improvements to our leadership scores.</p>	<p>Corporate plan (CP), p. 14</p>	
<p>Performance measure: The ACMA and its workforce jointly build and maintain a safe, supportive and positive working environment.</p> <p>Target: > Annual improvement in Australian Public Service Census results for workplace culture, diversity and safety. > Audits of Workplace Health and Safety (WHS) are positive and the ACMA complies with WHS obligations. Australian Public Service Census results improved across workplace culture, diversity and workplace conditions. We received a wellbeing index score of 73 per cent. Inclusion and diversity scores were high, with 90 per cent satisfaction for ACMA participants in this area. We maintained effective WHS arrangements that promoted a positive safety culture, and continuous monitoring and review of these arrangements. During the reporting period in consultation with staff, we undertook a full review of our overarching WHS policy and continued to consult regularly through our National Work Health and Safety Committee. The ACMA Comcare Premium rate for the reporting period was 0.89 per cent of payroll, which is well below the overall scheme rate of 1.23 per cent and down from our 2016–17 rate of 1.24 per cent.</p>	<p>CP, p. 14</p>	

Enabling strategies	Source	Result
<p>Activity: We are responsible stewards of public resources and operate in an open and transparent manner.</p>		
<p>Performance measure: The ACMA has a robust governance framework that supports timely decision-making and effective risk management.</p>	<p>CP, p. 14</p>	
<p>Target:</p> <ul style="list-style-type: none"> > Compliance with all legislative requirements. Our governance framework is in line with Commonwealth requirements of the PGPA Act, and our financial reporting is in line with legislative requirements. Financial statements are published in the annual report and provided to the Australian National Audit Office. > The ACMA will conduct quarterly strategic reviews of its priorities. In 2017–18, we implemented a quarterly strategic review report to the Executive on performance, risk, finance, average staffing level (ASL) and people matters. > Financial records are materially accurate and audit opinion is unqualified. In the reporting period, the financial records were materially accurate and the Australian National Audit Office (ANAO) opinion on the financial statements for 2017–18 is unmodified. Note: unmodified has the same meaning as unqualified, but is the term used by the ANAO in providing its opinion for the 2017–18 year. 		
<p>Activity: We provide reliable and responsive business processes, infrastructure and information technology.</p>		
<p>Performance measure: The ACMA uses technology to improve business processes and service delivery.</p>	<p>CP, p. 15</p>	
<p>Target:</p> <ul style="list-style-type: none"> > Information Communications Technology capital planning process engages with all areas of the ACMA and is completed annually by the end of May. The information and communications technology (ICT) capital planning process was completed by the end of May with input from all areas. The three-year ACMA ICT strategy developed in 2017–18 details upcoming work to provide confidence that systems and applications are secure, licensed, supported and minimise downtime. This strategy further enhances the capital planning process. > Network and system availability averages 99 per cent. 99 per cent availability for network and system was achieved for 2017–18. 		

Enabling strategies	Source	Result
<p>Performance measure: The ACMA's ICT networks and information remain secure.</p> <p>Target:</p> <ul style="list-style-type: none"> > Information Security Manual and Protective Security Policy Framework (PSPF) requirements are risk-assessed and required measures implemented. We implemented several new systems to help proactively monitor our information and communications technology systems, with a major focus on cybersecurity to ensure we comply with the Top4 Strategies to Mitigate Cyber Security Incidents. We undertook PSPF reporting on a regular basis to maintain a focus on requirements for keeping the network secure. > ACMA results in annual National Archives survey improve. In 2017, the National Archives survey methodology was changed, meaning we are unable to compare results from previous years. However, in the reporting period, the ACMA implemented improved resourcing of information management staff, information management governance structures and a business systems assessment framework. 	CP, p. 15	
<p>Performance measure: The ACMA's property management and procurement processes operate in line with Commonwealth standards.</p> <p>Target:</p> <ul style="list-style-type: none"> > The ACMA complies with all Department of Finance property management and procurement rules and reporting requirements. In the 2017–18 reporting period, we complied with all of the requirements under the Commonwealth Procurement Rules. We developed a Property Management Plan that complies with the requirements of RMG 500: Commonwealth Property Management Framework. The plan will facilitate the proactive management of ACMA's lease holdings, providing consolidation opportunities and potential divestment/sublet of surplus office space through astute and effective space utilisation strategies to achieve prescribed occupational density benchmarks. We have property management operational policies and procedures to support the new Accountable Authority Instruction—Managing Relevant Property. > All procurement activity is reported on AusTender as required. All ACMA procurement policies, procedures and guidelines reflect the changes to the Commonwealth Procurement Rules that came into effect on 1 January 2018. > The ACMA meets all targets for government procurement, such as the Indigenous Procurement Policy. In 2017–18, the ACMA met all its targets for government procurement processes. The ACMA exceeds the Indigenous Procurement Policy target of 1.5 per cent of all procurement activity awarded to Indigenous providers. During 2017–18, approximately 330 procurement activities were entered into by the ACMA and the Office, of which 11 were awarded to Indigenous service providers (3.3 per cent). As part of the 2017–18 Strategic Internal Audit Plan, our internal audit providers, RSM Australia Pty Ltd, undertook a review of the Procurement Framework in the ACMA. RSM undertook sample testing of 11 procurements using different market approaches. The testing did not identify any significant issues and RSM found that the procurement framework in the ACMA was mature and supported by a strong control framework. 	CP, p. 15	

Enabling strategies	Source	Result
Activity: We deliver open, responsive and transparent communication with the public and stakeholders.		
Performance measure: We employ a variety of information and consultation channels so the public and stakeholders are aware of the advice and services we provide.	CP, p. 15	
Target:		
> Annual increase in ACMA website traffic and social media followers.		
In the reporting period, traffic to our website increased 35 per cent and activity across all our online channels was up on the previous year.		
> Annual publication of forward work program.		
The ACMA did not publish a whole-of-agency forward work program in 2017–18 due to resourcing and timing issues. However, we published a range of other forward planning material for stakeholders including the FYSO 2017–21 in October 2017, the annual update to the research acma program in July 2017 and our PCAs in December 2017. Each of these forward work programs communicated aspects of the ACMA's priorities, implementation time frames, and consultation mechanisms for the year ahead.		
> 95 per cent of enquiries to our Customer Service Centre are resolved within three working days.		
We resolved 96 per cent of enquiries within three days, exceeding our benchmark. We have now exceeded the 95 per cent benchmark for three years in a row.		
Performance measure: We promote government policy objectives and influence international outcomes in ways that advance Australia's national interests.	CP, p. 16	
Target:		
> Advice to Department of Communications and the Arts for international briefings is consistent with government policy objectives.		
We work closely with DoCA and relevant business areas to discuss and progress international objectives. ACMA representatives also attend various international forums, workshops and conferences to build and maintain knowledge while promoting government policy and objectives.		
> 2018–22 International Engagement Strategy is published by December 2018 and annual international operational plan by end of each financial year.		
The 2015–18 ACMA <i>International Engagement Strategy</i> is currently in place. The 2018–20 strategy is under development and will be published in December 2018 in line with our target. Our <i>International Operational Plan 2017–18</i> remains in place. The 2018–19 operational plan is under development and has been delayed due to a review of the international engagement strategy for the agency. We are currently undertaking a review of this strategy so that it reflects the intended outcomes and outputs in our new corporate plan.		

Enabling strategies	Source	Result
Activity: We enhance regulatory design and administration.		
Performance measure: An efficient and effective regulatory framework that balances regulatory objectives and the interests of the community.	CP, p. 16	
Target:		
> Annual publication of our regulatory reform program and Better Regulatory Practice Initiative (BRPI).		
We respond to areas for regulatory improvement through our BRPI and Regulator Performance Framework (RPF) reporting, as well as by implementing recommendations from the final report of the ACMA Review.		
The BRPI 2017–18, addressed areas for improvement under the following categories:		
> transparency		
> accountability and openness		
> targeted compliance and enforcement		
> improvements to consultation processes and expansion of the regulatory reform agenda.		
Refer page 99 for further detail.		
> Over 50 per cent of Regulator Performance Framework (RPF) stakeholders agree with the ACMA's annual RPF self-assessment.		
In December 2017, we published our second full performance assessment report under the RPF, covering the 2016–17 financial year. Fifty per cent or more of stakeholders surveyed either agreed or strongly agreed with our self-assessment against each of the six key performance indicators.		
Performance measure: Implement government policy objectives.	CP, p. 16	
Target:		
> Implement ACMA Review recommendations within applicable government time frames. (Note. This body of work will be undertaken in 2017–18 and 2018–19 only).		
We continued to work on implementing those recommendations from the ACMA Review for which we have responsibility, as well as engaging with DoCA on the recommendations it is progressing. The focus of our work during 2017–18 was on implementing recommendations 6, 21–24 and 26, including provision of the report to the minister on the potential for industry self-regulation of unsolicited communications—spam, telemarketing and the Do Not Call Register—and the IPND to support implementation of recommendation 6 in May 2018. The report has not yet been released publicly.		

Enabling strategies	Source	Result
<p>Performance measure:</p> <p>The ACMA monitors changes in the communications and media environment, and regulatory design and decision-making are underpinned by research and evidence.</p> <p>Target:</p> <ul style="list-style-type: none"> > <i>The ACMA delivers research projects in accordance with published researchacma program and the five-year spectrum outlook.</i> <p>We delivered research in accordance with our annual research program and the 2016–20 and 2017–21 FYSOs. See our website and page 101 of this report for further detail on research undertaken in 2017–18.</p> <ul style="list-style-type: none"> > <i>Industry, government and non-government stakeholders rate the value of ACMA research to their organisations as good, very good or excellent.</i> <p>82 per cent of respondents to the 2017 stakeholder survey rated their satisfaction with our research publications as good, very good or excellent—one in four rated it as excellent. This research was conducted by Woolcott Research & Engagement on behalf of the ACMA. The survey focused on those we work most closely with, and was typically completed by those at senior manager level.</p>	CP, p. 16	

Analysis of results

The Australian media and communications environment has changed dramatically since the ACMA's establishment in 2005 and continues to evolve, with new technologies and market players emerging to disrupt an increasingly globalised communications landscape. Over the reporting period, we have continued to respond to this changing environment, support new government initiatives, and deliver our administrative and regulatory functions with flexibility and efficiency in order to make communications work for all Australians.

This year, as outlined in our 2017–18 corporate plan, we focused on delivering results and new capabilities under three key strategies that support our purpose.

Public resource management

We have responsibility for managing two public resources—the radiofrequency spectrum and telephone numbers, which are key building blocks in delivering our purpose. We aim to maximise the value of these public assets for all Australians within an environment of ongoing digital transformations driving changes in the use and value of spectrum and particular number ranges.

Key outputs of this work in 2017–18 are outlined below:

- > Spectrum reform and allocation of spectrum in line with the five-year spectrum outlook:
 - > We continued to work with DoCA to implement the Spectrum Review recommendations. With spectrum reform a focus, we commissioned research into international developments in best-practice spectrum management to inform our approach.
 - > We progressed implementation of elements of the government's spectrum management and pricing reviews—providing advice to DoCA; engaging with industry operators on new arrangements, including consultations on revised equipment rules; and through stakeholder workshops on licensing, interference management and arrangements.
- > We provided spectrum planning, frequency coordination, licensing and interference management services for the Gold Coast 2018 Commonwealth Games.
- > The Gold Coast priority compliance program preceding the 2018 Commonwealth Games resulted in 216 compliance investigations, with 13 mobile handset suppliers audited for compliance with their record-keeping obligations.
- > With DoCA, we co-hosted the third meeting of the Asia–Pacific Telecommunity (APT) Conference Preparatory Group Meeting for the World Radiocommunication Conference 2019 (APG19-3), in Perth from 12–16 March 2018. The forum focused on the development of preliminary regional positions for the next World Radiocommunication Conference in 2019 (WRC-19).
- > Australia's hosting of APG19-3 has helped to build our influence in achieving the best possible outcomes at the WRC-19 for the benefit of Australia and the region. Other initiatives to promote regional cooperation and coordination during the reporting period included hosting the second bilateral satellite coordination meeting between Australia and Japan, and participating in a similar meeting with the Republic of Korea in Korea.

Safeguards, advice and education

To be effective in supporting the public interest; consumer, citizen and audience safeguards need to keep pace with evolving market developments, reflect community standards, and meet consumer expectations.

Key outputs of this work in 2017–18 are outlined below:

- > Interactive gambling:
 - > Our expanded role under the *Interactive Gambling Act 2001* (IGA) began in September 2017. We have been active in raising awareness of the new laws and promoting compliance through strategic engagement with Australian and international stakeholders and investigation activities. Our activities resulted in a number of prominent illegal offshore gambling sites restricting access to Australians.
- > New broadcasting code restrictions related to gambling advertising in live sport came into effect on 30 March 2018.
- > Stronger regulatory protections for consumers migrating to the NBN—in August 2017, we announced an increased focus on the experience of consumers moving to and using services on the NBN. A comprehensive evidence-gathering program including industry information, consumer research and review of public-facing information, led to the announcement of a package of measures in December 2017. New regulations were made by 30 June 2018 to address the sources of consumer detriment identified.
- > For our 2017–18 telecommunications safeguards compliance program, we conducted over 200 assessments of telecommunications provider compliance with the Telecommunications Consumer Protection Code and concluded 31 investigations. Our main areas of focus were complaints-handling practices, a sweep of critical information summaries for NBN services and unauthorised customer transfers.
- > The Do Not Call Register was available throughout the reporting period, with 424,683 additional Australian numbers registered. All investigations into non-compliance with the *Do Not Call Register Act 2006* were completed within our eight-month target time frame, and we responded to five serious breaches by imposing proportionate penalties.

Enabling strategies

Our intention is to be a resilient, adaptive, efficient and knowledge-based organisation. This enables us to support activities that help to make communications and media work in the public interest, and ensure that regulatory settings are efficient, effective and evidence based.

Key outputs of this work in 2017–18 are outlined below:

- > The development of a three-year ICT Strategy 2017–20, which will enable consolidation of our end-user and business applications; strengthening our hardware for all core ICT assets; building our ICT people, skills, systems and processes; and ensuring our ICT systems meet community and government expectations for a safe and secure workplace.
- > To enhance collaboration and adaptability across the ACMA, we introduced a collaborative leadership program for all SES and EL2 employees. The program was designed to enhance the capacity of this cohort to respond cooperatively and creatively to increasingly complex challenges that we face now and into the future.
- > In 2017–18, we continued to work with DoCA on implementing recommendations of the final report of the ACMA Review. Highlights included providing the minister with a detailed report addressing the potential for industry self-regulation of technical standards, commercial electronic messages under the *Spam Act 2003*, the IPND and the Do Not Call Register.

The ACMA—looking ahead

Following assessment of our performance in the reporting period, we have identified a number of work areas for 2018–19 to improve our performance:

- > A focus on stakeholder engagement—although the majority of our stakeholders indicated that they were satisfied with their engagement with us, our most recent results show there remains room for us to improve. In 2018–19, we will be improving and transforming our external-facing website to improve delivery of our digital services. We are also building on our suite of forward planning information with the introduction of an annual work program as part of our 2018–22 FYSO so that stakeholders can be better informed about our actions.
- > A focus on international developments—we are currently reviewing our international engagement strategy, which has led to delays in the implementation of the international operational plan for this reporting period. However, over the long term, this work will assist us to be better placed to engage with future advances in emerging technologies and future spectrum and infrastructure needs.

We will also be positioning the ACMA for the future with the development and release of a new corporate plan that will set out our strategic direction for the next four years.

Communications regulation, planning and licensing

This section reflects the ACMA's performance against key deliverables for PBS Program 1.1 and corporate plan strategy—public resource management.



Spectrum management and technical regulation

Spectrum is a critical public resource with increasing importance to the digital transformation of the economy.

The ACMA's work aims to maximise the efficient use of spectrum. The scope of our role includes spectrum planning, licensing, auctions and the encouragement of trading, and satellite communications and space systems regulation.

As in many other countries, Australia must balance the growing demand for access to spectrum by new technologies and uses against the legitimate requirements of existing users for ongoing use of spectrum. It must also strike the balance between government use of the spectrum—for example, for defence, emergency and public safety services, scientific and other applications—and its availability for use by the broader community.

We are responding to the spectrum implications of current and anticipated future growth in demand for mobile broadband capacity, particularly for 5G mobile broadband services.

During 2017–18, our spectrum management initiatives included:

- > publishing the draft *Five-year spectrum outlook 2018–22* (FYSO)
- > allocating residual lots (available but unallocated spectrum licences) in the 1800 MHz, 2 GHz, 2.3 GHz and 3.4 GHz bands (multiband residual lots auction)
- > releasing consultation papers on a range of matters relating to the auction of 3.6 GHz band spectrum
- > consulting on 850 MHz and 890–915 MHz/935–960 MHz bands licensing issues with a view to optimising mobile service delivery in sub-GHz bands as a whole in the longer term
- > contributing to implementation of the government's spectrum management and pricing reviews, including holding industry workshops at our RadComms conference, consulting on equipment rules arrangements and implementing the annual work program as part of our FYSO
- > planning and licensing AM to FM conversion of commercial radio broadcasting services in regional Australia
- > conducting 23 consultations on spectrum-related matters, including proposed changes, variations and amendments to regulatory arrangements and planned band reviews
- > planning for digital radio in regional markets.

Multiband residual lots auction

The ACMA began the multiband residual lots auction in November 2017. The auction concluded on 12 December, with a total price of \$92.6 million paid for 33 lots by winning bidders Singtel Optus Pty Limited, Telstra Corporation Limited, TPG Internet Pty Ltd, Vodafone Hutchison Australia Pty Limited and NBN Co Limited. A further five lots were allocated by pre-determined price, because there was only one applicant for each of those lots. At the conclusion of the process, one lot in regional Canberra remained unallocated.

The spectrum is suitable for mobile broadband applications and will mean improved services and greater choice for consumers in those areas where lots were allocated.

Mobile broadband strategy

A critical component of the ACMA's mobile broadband strategy—the mobile broadband work program—was updated in October 2017 as part of the *Five-year spectrum outlook 2017–21*. We will continue to update the strategy and work plan on an annual basis.

We have continued to progress mobile broadband-related work; notably, the reviews of the 3.6 GHz, 900 MHz and 26 GHz bands, as well as contributing to Australia's engagement with Agenda Item 1.13 in the current World Radiocommunication Conference (WRC) cycle.

3.6 GHz band

In June 2017, we released a consultation package seeking industry submissions on how best to re-plan the 3.6 GHz band and followed with a decision paper on the future use of the band. The decision paper outlined our intention to recommend that the Minister for Communications reallocate the 3.6 GHz band for the issue of spectrum licences in defined metropolitan and regional areas of Australia.

In November 2017, we undertook public consultation on a draft spectrum reallocation declaration for the band. Following consideration of submissions, we recommended to the minister that he make such a declaration for the 3.6 GHz band. The minister accepted this recommendation and on 5 March 2018 made the Radiocommunications (Spectrum Re-allocation – 3.6 GHz Band for Regional Australia) Declaration 2018, the Radiocommunications (Spectrum Re-allocation – 3.6 GHz Band for Perth) Declaration 2018 and the Radiocommunications (Spectrum Re-allocation – 3.6 GHz Band for Adelaide and Eastern Metropolitan Australia) Declaration 2018.

As part of preparations for an auction of spectrum in the band, in May 2018 we consulted on draft instruments setting out the auction rules and technical framework that would underpin spectrum licences in the 3.6 GHz band.

We expect to consider making final instruments for the auction early in the next reporting period.

In May 2018, we released the consultation paper *Development of point-to-multipoint apparatus licensing arrangements in the 5.6 GHz band*, seeking comment on the introduction of planning arrangements to support frequency coordination and licensing of point-to-multipoint systems in the 5.6 GHz band. This work resulted from our review of arrangements in the 3.6 GHz band and is part of a strategy intended to mitigate any adverse effect of reallocation on current incumbents in the 3.6 GHz band.

900 MHz band

In October 2017, we released the consultation paper *Reconfiguring the 890–915/935–960 MHz band: Way forward*. This paper sought industry views on how best to achieve an eventual downshift of the adjacent 850 MHz spectrum licences, which would further optimise the 890–915/935–960 MHz band for mobile broadband. Views were also sought on potential licence tenures for the 850 MHz expansion and 890–915/935–960 MHz bands, with a view to optimising mobile service delivery in sub-GHz bands as a whole in the longer term.

With consultation underway, we updated planning arrangements to support the implementation of the 803–960 MHz band review. In November 2017, we also consulted on updates to frequency coordination arrangements, to facilitate transition of two fixed links to new frequency arrangements.

Changes were proposed in June 2018 to facilitate changes to licensing arrangements for single frequency studio-to-transmitter and sound outside broadcast links. Updates to the 800 MHz and 900 MHz band plans were also proposed to reflect current stages in the implementation of 803–960 MHz review outcomes.

400 MHz band

Implementation of the outcomes of the review into the 400 MHz band—designed to address concerns of congestion as demand for spectrum continues to grow—will be completed in December 2019. Once the new arrangements are fully implemented, the need for further regulatory intervention in the 400 MHz band should be minimal.

The additional spectrum capacity made available from these changes has addressed the previous congestion evident in the high-density areas of Sydney/Wollongong, Melbourne/Geelong and Brisbane/Gold Coast.

The completion of the third and final milestone for high- and medium-density areas of Adelaide, Brisbane, Melbourne, Perth and Sydney in December 2017 leaves only the relocation of government and non-government services in low- and remote-density areas into their respective band segments to be completed.

Harmonising government spectrum use in the 400 MHz band enables the states and territories to establish or improve the interoperability of mission-critical voice communications and narrowband data services used by police, fire, ambulance and other emergency services.

We continue to work closely with state and territory governments as well as industry participants and representative organisations on smooth transition by all licensees in the 400 MHz band.

26 GHz band

Similar to 3.6 GHz, the 26 GHz band is the focus of widespread international interest as an early candidate for introduction of 5G wireless broadband services. In response to rising domestic interest in early introduction of 5G services, the ACMA hosted a spectrum tune-up in September 2017 to solicit industry views on the potential use of 26 GHz (24.25–27.5 GHz) along with other ‘millimetre wave’ (mmWave) bands by wireless broadband services. At the tune-up, submissions were invited on a range of issues, including the potential for accelerating the 26 GHz band through the *initial investigation* phase to the *preliminary replanning* stage of the ACMA’s process, outlined in our mobile broadband strategy for considering bands for a potential change in use.

After reviewing submissions, we decided to upgrade the status to *preliminary replanning* and have since been developing a range of detailed planning and licensing options for consultation. This consultation is now not expected until early in the next reporting period, due to delays in the resolution of some outstanding international frequency harmonisation considerations.

Television licence area plans

Television licence area plans (TLAPs) are the planning instruments for television broadcasting services, specifying and allotting channels to particular providers of television services, and determining the characteristics, including technical specifications, of the broadcasting services that are to be available in particular parts of Australia with the use of those channels.

During the reporting period, we varied the TLAP for Melbourne on two occasions to change the cessation date for the allotment of frequencies for the Melbourne community television broadcasting service. In December 2017, the cessation date was varied from 31 December 2017 to 30 June 2018, and in June 2018, it was extended to 30 June 2020. This was consistent with the two extensions of the transmitter licences for this service determined by the minister. In addition, all 19 TLAPs were varied to update references to the newly remade Broadcasting Services (Technical Planning) Guidelines 2017.

Radio licence area plans

Radio licence area plans (LAPs) are the planning instrument for analog radio services in Australia. Over the reporting period, we consulted on variations to 15 radio LAPs, which proposed new or changed radio broadcasting services. We also varied 54 LAPs to refer to the new technical planning guidelines.

AM to FM conversion in selected regional areas

During 2017–18, the ACMA, in consultation with industry, continued with the necessary planning and approvals to facilitate conversion of the transmission of commercial radio services from the AM to the FM band across 31 radio licence areas in regional Australia. This program is restricted to markets where there is a single commercial radio operator.

The AM to FM conversion in these regional areas has the potential to deliver a range of benefits including improved audio quality, reduced signal interference and lower costs for regional broadcasters. In February 2018, we approved AM–FM conversions in Mandurah, Western Australia and Warrnambool, Victoria.

In 2018, we released for public consultation proposals for AM–FM conversion:

- > of the 2BS Bathurst service in New South Wales
- > in Tasmania, which involves the conversion of the 7BU Burnie and 7AD Devonport services to FM, a new 7XS FM Queenstown service, and the simulcasting of the 7SD Scottsdale service in both AM and FM.

Digital radio

Digital radio services have been operating in the mainland state capital cities (Sydney, Melbourne, Brisbane, Adelaide and Perth) since 1 July 2009. Digital radio began in Canberra and Darwin in 2010 under trial licences.

In 2017–18, the ACMA issued long-term digital radio multiplex transmitter licences for the national broadcasters in Canberra, Darwin and Hobart. The national services began digital radio broadcasting in Canberra independently of the trial service in December 2017. This resulted in the provision of a greater range of national services than was possible under the trial. The national broadcasters also began digital radio broadcasting in Darwin in December 2017 and in Hobart in March 2018.

In November 2017, we invited applications from eligible joint venture companies for the issue of a foundation category 1 digital radio multiplex transmitter licence in both Canberra and Darwin. The category 1 licence authorises the transmission of digital commercial and community radio services and will replace the current trial licences. We expect applications to be submitted during 2018–19.

In December 2017, the ACMA made the Broadcasting Services (Deemed Digital Radio Areas) Determination 2017 under subsection 8AD(3) of the BSA. The determination deems the community radio broadcasting licence area of Canberra RA2 to be the same as Canberra RA1, and the community radio broadcasting licence areas of Darwin RA2 and Darwin RA3 to be the same as Darwin RA1. This allowed all the Darwin community stations and the wide-area Canberra community service to provide digital radio services.

In March 2018, we completed the channel allotment plan for east coast regional digital radio. This will allow regional radio licensees to make an informed decision about the costs of digital radio infrastructure, and to choose whether to provide digital radio services.

In May 2018, we wrote to national and commercial radio broadcasting licensees to confirm which licensees are committed to providing digital radio services in regional licence areas. We will begin making formal digital radio channel plans based on the allotment plans for licence areas where licensees are committed to providing digital radio broadcasting services.

Spectrum Review

The Spectrum Review, conducted by DoCA, had three main reform recommendations—replacing current legislative arrangements with streamlined legislation, integrating the management of public sector and broadcasting spectrum to improve the consistency and integrity of the framework, and a review of spectrum pricing.

Following the release of the first Exposure Draft of the Radiocommunications Bill 2017 in May 2017, the ACMA began preparations for implementing new spectrum management arrangements, with activity in the year focused on:

- > providing advice to DoCA on its ongoing development and drafting of the Radiocommunications Bill legislative reform package
- > publishing three papers relevant to the new spectrum management arrangements:
 - > *Five-year spectrum outlook 2017–21*, including an annual work program
 - > *Equipment rules: concepts and design considerations*
 - > draft *Five-year spectrum outlook 2018–22*, including an annual work program
- > facilitating three workshops with industry and other stakeholders on radiocommunications licensing, interference management and equipment rules during our 2017 RadComms conference. These workshops enabled conference participants to contribute to, and develop deeper insights into, spectrum reform implementation issues.

Five-year spectrum outlook

The FYSO underpins the ACMA's engagement with stakeholders on the progress and prioritisation of spectrum management issues and projects, and fulfils our commitment to:

- > give industry stakeholders greater insight and transparency into spectrum regulatory activities, including emerging pressures on current arrangements in bands, for industry stakeholders
- > facilitate discussion between the ACMA and stakeholders about our planning and other spectrum work priorities in the year ahead
- > provide a useful summary of important spectrum management policies and priorities.

The 2017–21 FYSO was released in October 2017. Key considerations included three major streams of work—a forward work plan for spectrum allocations, an approach to spectrum review implementation and a proposal for developing future spectrum work programs in response to the Spectrum Review.

For the draft 2018–22 FYSO (published in May 2018), we adopted a revised format and financial year timing to align with the Spectrum Review’s recommendation to prepare an annual spectrum work program in consultation with industry. To this end, the draft FYSO and annual work program were issued before the start of the financial year in question and submissions invited on the content.

In response to the feedback received on the 2017–21 FYSO, the 2018–22 edition includes:

- > a summary work program so that key work streams, activities and proposed timelines for engagement can be more easily referenced
- > a holistic treatment of all major band (re)planning activities to support the establishment of new spectrum uses—this replaces the previous focus on replanning activities driven by our mobile broadband strategy
- > more comprehensive attention to the wide set of existing spectrum uses, where annual planning activity is directed to optimising use within existing regulatory frameworks
- > revised allocation scenarios in response to the strong feedback received
- > timing for the Spectrum Review implementation work, reflecting DoCA’s ongoing development and drafting of the Radiocommunications Bill legislative reform package.

International spectrum activities

Maximising international harmonisation of radiofrequency use where possible is critical to the efficient use of spectrum domestically. Australian government and industry spectrum users participate in a range of international forums to influence harmonisation outcomes in the national interest.

In 2017–18, we managed 21 Australian delegations to international radiocommunications meetings, in which 36 Australian papers were presented. Key meetings led by the ACMA include:

- > an Australian delegation of 17 to the second meeting of the APT Conference Preparatory Group for WRC-19 (APG19-2), held in Bali from 17–21 July 2017—co-led with DoCA
- > two Australian delegations to the 22nd and 23rd meetings of the APT Wireless Group (AWG), held in Busan from 25–29 September 2017 and in Da Nang City from 9–13 April 2018
- > eight Australian delegations to meetings of the ITU Radiocommunication Sector Study Groups and Working Parties in Geneva
- > an Australian delegation of 47 to the third meeting of the APT Conference Preparatory Group for WRC-19 (APG19-3) in Perth from 12–16 March 2018—hosted by the Australian Government and co-led with DoCA—where:
 - > a key focus was to further develop the Asia-Pacific regional views on WRC 19 agenda items
 - > there was an important opportunity to integrate agreed Australian Preliminary Views on WRC issues into the regional views developed at the meeting
 - > meetings took place between senior Australian Government officers and key regional and international representatives.

Bilateral meetings

In April 2018, we hosted the second bilateral Satellite Coordination Meeting between Australia and Japan. The Australian delegation included the ACMA and the Department of Defence (one of the Australian satellite operators). The Japanese delegation comprised 19 representatives from its Ministry of Internal Affairs and Communications, as well as five satellite operators. In November 2017, we also led the Australian delegation to a similar bilateral meeting with Republic of Korea.

Satellite coordination

The ACMA is responsible for fulfilling Australia's obligations as a Member State of the ITU in relation to satellite coordination matters.

In the reporting period, we:

- > assessed 923 publications for proposed foreign satellite networks, requesting further coordination (where necessary) with foreign administrations and responding to their reciprocal requests of Australia
- > assisted Australian satellite operators with ongoing satellite coordination negotiations with other administrations, new notices related to progress of existing Australian satellite networks and filing of new Australian satellite networks.

These roles help to protect Australian interests and maximise the benefits of spectrum/orbital resources by working cooperatively with other ITU Member Administrations.

Mobile phone jammer trials at correctional centres

Mobile phone jammers are prohibited under the Radiocommunications Act. Since 2013, the ACMA has authorised a trial by Corrective Services NSW (CSNSW) of a mobile phone jammer at Lithgow Correctional Centre under an exemption to the prohibition.

Both CSNSW and the mobile phone carriers consider the trial a success. The jammer has reportedly prevented inmate access to mobile phone networks inside Lithgow while avoiding interference to public networks (and other radiocommunications) outside the facility.

The current Lithgow exemption determination will expire on 1 November 2018. In June 2018, we consulted on a new exemption determination to allow CSNSW to continue operating the mobile phone jammer at Lithgow.

We have previously also made an exemption to facilitate a mobile phone jammer trial at the Goulburn Correctional Complex. This trial will assess the risk of interference and the performance of a jammer in a more densely populated location than Lithgow.

The outcomes of both trials will continue to inform our consideration of whether, and in what circumstances, it is in the public interest to allow further deployment of PMTS jamming devices in correctional facilities in other locations in New South Wales and elsewhere. We have made a standing offer to collaborate with correctional services providers wishing to conduct trials in other states and territories, and other jurisdictions are understood to be following developments with the CSNSW trials.

Special events

As part of their risk management processes, organisers of significant events sometimes contract the ACMA to provide radiocommunications frequency coordination and interference resolution services.

These events yield economic and commercial benefits to Australia, and preventing and managing interference can be a crucial component of their success. In 2017–18, we were contracted to provide services for:

- > Australian Motorcycle Grand Prix, Phillip Island, 21–22 October 2017
- > Australian Formula One Grand Prix, Melbourne, 22–25 March 2018
- > Gold Coast 2018 Commonwealth Games, 4–15 April 2018.

Gold Coast 2018 Commonwealth Games

In March 2017, the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) contracted the ACMA to provide a number of spectrum-related services in support of the XXI Commonwealth Games in the City of Gold Coast. This was in accordance with binding guarantees provided by the Australian Government to the Commonwealth Games Federation as part of the City of Gold Coast bid for the Games.

At its peak, the ACMA had a Games workforce of 35 staff members, delivering frequency planning, coordination and authorisation functions, spectrum monitoring and interference management.

Our service delivery approach focused on proactive measures to minimise the risk of interference during the Games. These measures included:

- > detailed spectrum planning and frequency coordination—we received 3,915 spectrum requests for the Games and issued 2,830 Games-specific authorisations
- > working collaboratively with GOLDOC and the Office for Sport on providing information to national and international visitors
- > proactive spectrum monitoring and field work between July 2017 and March 2018 to check for operation of unlicensed or non-standard devices across the Gold Coast
- > pre-Games inspections of venues
- > pre-event equipment compliance testing and tagging.

Only a small number of interference-related incidents were reported, which were minor and quickly resolved, with no impact to the Games. The ACMA's successful delivery of this project was recognised by the key stakeholders.

Exemption arrangements for 'drone guns' used during the Games

The Radiocommunications Act allows the ACMA to declare that the supply, possession or operation of specified types of radiocommunications devices is prohibited. The ACMA made two such declarations, prohibiting jamming devices that operate on frequencies:

- > used for public mobile telecommunications services
- > used by radionavigation satellite services such as GPS.

In March 2018, in the lead up to the Games, the ACMA established exemption arrangements that allowed the Queensland Police Service (QPS) to operate 'drone guns' as part of broader security measures in place for the Games.

This measure helped the QPS to ensure the safety, security and protection of the Games, its participants and spectators. The declarations ceased to have effect after the end of the Games.



Seamless communications at a major sporting event is vital. As it prepared for the 2018 Commonwealth Games, the event organiser engaged the ACMA to meet spectrum needs for the Games and manage interference.

Gold Coast 2018 Commonwealth Games

Case study

Major international sporting events pose huge challenges for spectrum managers. Teams and camera crews descend from all over the world, bringing equipment that may not work with Australian frequency allocations. Venues must be connected to allow seamless communications, including for opening and closing ceremonies, timing and scoring, and television coverage. Interference-free communications is vital and there is heightened security throughout.

For the Gold Coast Games, the ACMA's task was broadly two-fold—we managed interference at the event and identified and addressed the spectrum requirements. Both tasks involved extensive work in the lead-up to the Games.

From July 2017, our field workers intensively surveyed the Gold Coast region, checking for unlicensed or non-standard devices. Over the same period, we identified the spectrum requirements and undertook frequency assignment work, ensuring the equipment used would have frequencies that would work.

As the supply of relevant bands is tight, we also made sure that vacant spectrum was protected by temporary 'embargoes' on the issue of new licences. Local TV operators cooperated by making some of their existing licensed spectrum holdings available to overseas 'host' broadcasters.

Once the Games began, all equipment brought to the Games had to be tested and tagged—in all, our staff issued 13,205 'compliant' labels—and for the duration of the event, we provided interference management services, coordinated out of a temporary control room in the Technology Operations Centre at the Games venue. At its peak, we had a Games workforce of 35 staff.

This, and preparatory work conducted over many months in cooperation with the event organiser, GOLDOC, set the scene for a trouble-free Games—with only seven minor interference incidents reported during the Games, none of which affected the event.

Radiocommunications compliance laboratory

The ACMA's radiocommunications compliance laboratory carries out compliance testing of radiocommunications devices. Its main purpose is to support industry compliance with regulatory arrangements such as radiocommunications standards compliance and product labelling arrangements.

The laboratory is accredited by the National Association of Testing Authorities (NATA) for assessing compliance with compliance levels two and three for the full range of ACMA standards and equivalent international standards.

In 2017–18, the laboratory assisted with investigations carried out by the ACMA and federal and state police services. This included preparing seven evidentiary certificates, nine technical assessment reports and five test reports of radiocommunications device compliance.

From 1 July 2017, we stopped conducting voluntary testing of radiocommunications equipment employing digital modulation, where no equipment performance requirements are specified (Spectrum Impact Assessments testing).

In the lead-up to the Gold Coast 2018 Commonwealth Games, the lab developed and instigated an equipment testing and tagging regime. The ACMA issued 13,205 equipment compliance labels for the Games.

Cabling regulation

The ACMA is responsible for regulating telecommunications customer cabling in Australia. Our approach includes:

- > monitoring and enforcing compliance with cabling regulatory requirements
- > supporting effective cabling industry self-regulation.

The Telecommunications Act gives us the power to make safety and network integrity standards for cabling installations in customer premises. Compliance with these standards is achieved through the Telecommunications Cabling Provider Rules 2014 (CPRs), made under section 421 of the Act.

In 2017–18, we received 21 complaints about customer cabling compliance, which resulted in two warning notices for non-compliance being issued. This is a decrease from the 47 complaints received in 2016–17. All these complaints were about customer cabling, as the CPRs only regulate the customer side of the network boundary.

Cabling provider registration scheme

The CPRs include an industry-managed national registration system. The ACMA has accredited five industry bodies to be registrars under the CPRs. These registrars issue registrations to cabling providers.

At 30 June 2018, there were 74,291 registered cabling providers. We continue to monitor the performance of registrars in meeting their contractual obligation to provide registration services to the cabling industry. We also work with registrars to improve reporting arrangements and monitor service delivery levels across the industry through quarterly meetings of the Registrars' Coordinating Committee.



Radiocommunications compliance program

The ACMA has an active compliance program that supports our spectrum planning and radiocommunications licensing arrangements by minimising unacceptable interference to radiocommunications services.

The program takes a balanced approach that is proportionate to the risks being managed. This allows us flexibility and efficiency in how we respond to specific cases and systemic issues.

The program is underpinned by annual priority compliance areas (PCAs). Identifying PCAs allows us to focus on preventing unacceptable interference, preserving spectrum utility, protecting public safety communications and other public interest outcomes. PCAs are developed in consultation with industry, including feedback on new and emerging issues.

Radiocommunications interference

We aim to close radiocommunications interference cases within 45 days, on average.

We prioritise taking account of the risks and choose from a range of regulatory responses.

Ongoing priorities for interference management include:

- > mobile repeaters—substantial interference to mobile telecommunications can be caused by the unlicensed use of mobile phone repeaters
- > prohibited devices—mobile phone jammers and GPS jammers are now prohibited from importation and can be seized by Border Force officers at Australian entry points
- > 400 MHz band plan compliance—compliance in the 400 MHz band has been a priority, with compliance staff detecting a significant rate of unlicensed radiocommunications devices that have been bought cheaply from overseas.

Table 3.4: Radiocommunications interference compliance, 2015–16 to 2017–18

Action type	Number of actions		
	2015–16	2016–17	2017–18
Radiocommunications interference complaints	621	486	332
Advice notices issued	86	31	8
Warning notices issued	334	226	144

Table 3.5: Compliance investigations, 2015–16 to 2017–18

Action type	Number of actions		
	2015–16	2016–17	2017–18
Investigations	463	591	585
Advice notices issued	7	5	4
Warning notices issued	375	473	470
Infringement notices issued	18	4	3
Prosecutions commenced	3	0	4

Domestic systems interference

Domestic systems interference (DSI) encompasses interference to the reception of domestic free-to-air broadcast television and radio services. Complaints about DSI have declined over the past three years.

Table 3.6: DSI diagnostic tasks, 2015–16 to 2017–18

Action type	Number of actions		
	2015–16	2016–17	2017–18
DSI complaints	473	340	277
Warning notices issued	36	21	20
Advice notices issued	41	21	12

Television reception

All Australian households should be able to receive the national and commercial free-to-air television services that are authorised to operate in their area for the cost of an appropriate external antenna or satellite dish. As the government agency responsible for radio frequency interference issues, the ACMA's primary strategy for managing TV reception problems is to educate viewers about the importance of having an optimised antenna system for reliable reception. We employ a range of measures to inform and help affected viewers and, when necessary, to support broadcasters and other industry players, such as antenna installers. This includes:

- > making available the mySwitch website—myswitch.digitalready.gov.au—which allows viewers to check TV coverage at their individual street address and provides current advice on reception issues affecting particular locations. The mySwitch site receives 65,000 hits per month
- > providing general and specific information about TV reception and interference on our TV reception hub—acma.gov.au/tvreception
- > providing public information for awareness-raising, including participating in public meetings (on an exceptional basis)
- > facilitating prompt information-sharing between the ACMA, broadcasters and, where relevant, mobile carriers if a party becomes aware of an emerging problem
- > investigating and providing technical advice on the nature and scope of TV reception problems, including field investigations on an exceptional basis for community-wide reception problems
- > assisting broadcasters who are considering new transmission sites or infrastructure upgrades
- > responding to requests for information on a case-by-case basis, to inform and offer advice about issues in the affected areas.

Table 3.7: TV reception issues and number of actions, 2016–17 to 2017–18

Action type	Number of actions	
	2016–17	2017–18
All TV reception enquiries	609	610
Public responses	137	118
Ministerial responses	22	96

Viewer Access Satellite Television service

The Viewer Access Satellite Television (VAST) service is a government-funded alternative reception option for individual households unable to receive adequate digital television services from terrestrial transmission sites.

In the reporting period, we:

- > received and considered 114 complaints about permission to access services on VAST
- > issued 114 directions to the scheme administrator to grant VAST access to the complainants.

Spectrum monitoring network

The ACMA manages and maintains a network of fixed, transportable and mobile monitoring sites across Australia. This spectrum monitoring network is fundamental to the effectiveness of our interference resolution work. It is used primarily to support interference resolution and compliance management for radiocommunications services that operate in high-frequency (HF), very-high-frequency (VHF) and ultra-high-frequency (UHF) bands. It is also used to collect evidence to support policy, planning and licensing decisions, and to monitor TV reception quality over time in communities with reported TV reception difficulties.

In 2017–18, the spectrum monitoring network supported the resolution of the radiocommunications cases listed in Table 3.4 and was also used to support PCAs and investigations.

2017–18 priority compliance areas

The ACMA manages compliance with the Radiocommunications Act and subordinate instruments relating to the operation of radiocommunications transmitters and the supply of radiocommunications devices. The regulatory arrangements minimise unacceptable interference to radiocommunications services.

We prioritise complaints and the enforcement of these arrangements through PCAs. The PCA program applies a risk-based methodology to strategically address high-risk compliance issues in a coordinated manner. During 2017–18, the PCA program continued to make stakeholder engagement a key focus.

The PCAs for 2017–18 focused on three areas:

- > preparation for the Gold Coast 2018 Commonwealth Games
- > mobile handset compliance
- > interference management.

Preparation for the Gold Coast 2018 Commonwealth Games

This PCA managed the interference risks associated with the operation of unlicensed, non-standard handheld two-way radios in 400 MHz/harmonised government (HGS) spectrum ahead of the 2018 Commonwealth Games on the Gold Coast, Cairns and Townsville.

We used a number of regulatory and non-regulatory approaches to achieve this, including:

- > field monitoring and response—visiting 1,420 licensing sites, undertaking 216 compliance investigations, making 18 awareness visits and issuing 208 warning notices for 232 legislative breaches
- > stakeholder engagement and communications—including through Twitter, Facebook, LinkedIn and Instagram, the Grey Nomads website and the ACMA website.

Mobile handset compliance

This PCA was to ensure that the ACMA has:

- > tested both individual and systemic (industry-wide) supplier compliance with applicable technical standards, with a focus on electro-magnetic emission (EME) requirements
- > addressed any deficiencies at the supplier level
- > addressed compliance levels across the industry of a systemic nature.

We audited suppliers for compliance with all applicable telecommunications, radiocommunications and electromagnetic compatibility (EMC) standards. Of the 13 handset suppliers audited:

- > all suppliers complied with their obligations under the EME compliance labelling requirements
- > two suppliers did not supply complete records for their record-keeping obligations for telecommunications compliance labelling requirements and were issued with warning notices all suppliers demonstrated compliance with the radiocommunications and EMC compliance labelling requirements.

Interference management

The ACMA's Interference Management Principles have been in place since 2004. Since then, there have been significant changes in industry, technology and spectrum management, notably a dramatic increase in the use of mobile broadband services, including the allocation of additional spectrum bands and the widespread deployment of 4G (LTE) services by mobile carriers.

During 2017–18, we released a consultation paper reviewing the Interference Management Principles and received 14 submissions. We expect to finalise our review of the principles in early 2018–19.



Allocation and renewal of licences and numbers

The ACMA's public resource management functions cover the allocation and issue of spectrum, broadcasting and telecommunications licences, as well as telephone numbers.

We have responsibility for:

- > allocating and renewing radiocommunications licences, including apparatus, spectrum and class licences
- > broadcasting licences, including temporary community broadcasting, community radio broadcasting, and commercial and community television licences
- > telecommunications licences, including carrier licences and nominated carrier declarations
- > number allocations.

Management and allocation of the various licences is undertaken across several different licensing regimes specified under a range of different legislation. We keep informed about different allocation methods.

Numbering Advisory Committee

The ACMA works closely with representatives of users of numbers in formulating and administering numbering policy. The consultative arrangements established for our Numbering Advisory Committee (NAC) help to achieve this. The NAC did not formally meet during 2017–18 as the potential transition to industry-managed numbering (see below) was the subject of targeted consultation between the ACMA, DoCA and Communications Alliance. See Appendix 1 for membership details of the NAC.

Numbering reform activities

The ACMA is assisting Communications Alliance as it progresses a proposal for industry to manage telecommunications numbering. If enacted, the Communications Legislation Amendment (Deregulations and Other Measures) Bill 2018 would allow the minister to specify a person as the numbering scheme manager.

Number portability

Number portability allows a customer to retain his or her local, mobile or inbound number when changing from one carriage service provider (CSP) or carrier network to another.

The Numbering Plan, together with the Local Number Portability, Mobile Number Portability and Inbound Number Portability codes, specifies the rules, operational procedures and timelines for carriage service providers in the delivery of number portability.

During 2017–18, the ACMA responded to 90 enquiries about local, mobile and inbound number portability from industry and consumers. Approximately a third of these enquiries were about consumers being unable to retain their local number as they migrated their fixed-line service to the NBN. This issue was addressed in the NBN customer experience standards made by the ACMA in June 2018.

Number allocation arrangements

Since August 2015, the majority of the ACMA's number allocation and administrative functions have been provided under contract by ZOAK Pty Ltd, trading as ZOAK Solutions. During 2017–18, ZOAK met all its contractual obligations for the provision of these services.

The Numbering System maintains a register of numbers allocated to CSPs and numbers that have been permanently transferred from one CSP to another. This register is also used to administer the annual numbering charge (ANC).

Number supply is reviewed on a regular basis. As at 30 June 2018, a sufficient supply of numbers is available for the medium to long term.

Numbering transactions

During 2017–18, the ACMA allocated 6,811,003 numbers to CSPs (see Table 3.8). Twenty-four CSPs were allocated numbers, with some being allocated multiple number types.

Table 3.8: Quantity of numbers allocated by number type, 2017–18

Type of number	CSPs allocated numbers	Quantity of numbers allocated
Geographic	16	6,069,000
Digital mobile	5	720,000
Mobile network codes	3	3
Interconnection and routing code	1	1
Premium rate	4	335
Freephone and local rate	6	21,664
Total numbers allocated		6,811,003

During 2017–18, CSPs surrendered 1,504,089 numbers. Table 3.9 shows the numbers surrendered by number type. There were also 19,101 permanent transfers of numbers between CSPs. Table 3.10 shows the numbers transferred by number type. A total of 19 CSPs surrendered numbers, while eight transferred numbers. Some CSPs transferred or surrendered multiple number types.

Table 3.9: Quantity of numbers surrendered by number type, 2017–18

Type of number	CSPs surrendering numbers	Quantity of numbers surrendered
Geographic	2	956,200
Digital mobile	2	410,000
Satellite telephone	1	120,000
Premium rate	7	247
Freephone and local	6	13,639
Location independent communications service	1	4,000
Calling card	1	2
Operator service	1	1
Total numbers surrendered		1,504,089

Table 3.10: Quantity of numbers transferred by number type, 2017–18

Type of number	CSPs transferring numbers	Quantity of numbers transferred
Geographic	4	19,000
Premium rate	4	101
Total numbers transferred		19,101

smartnumbers transactions

During 2017–18, the enhanced rights of use (EROU) to 4,641 smartnumbers were allocated to users of the Numbering System, while the EROU to 1,944 smartnumbers were cancelled due to the absence of an active service on the number. Numbering System users traded the EROU to 1,535 smartnumbers among themselves.

Broadcasting licensing

In 2017–18, the ACMA:

- > issued 35 transmitter licences for commercial radio and television services
- > issued 34 broadcasting retransmission licences
- > varied 55 radio and television apparatus licences
- > issued 154 special-event broadcasting licences for radio and television services.

In measuring the ACMA's performance against our KPIs for the allocation of apparatus licences, broadcasting apparatus licences are counted with other radiocommunications apparatus licences. See *Apparatus licensing* on page 65 for more information.

Temporary community broadcasting licences

Temporary community broadcasting licences are allocated for periods of up to 12 months. Subsequent licences may be allocated on application. During 2017–18, we allocated 108 temporary licences, three of which had licence periods of fewer than 12 months. One licence was surrendered during the reporting period.

Temporary licences in Windsor, New South Wales

After the non-renewal of the long-term community broadcasting licence in the Windsor RA1 licence area, the ACMA made available the frequency for temporary community broadcasting purposes. We received applications from:

- > Hawkesbury Radio Communications Cooperative Society Ltd
- > Hawkesbury Valley Community Radio Association Inc.
- > Consortium of Australian Media Services Inc. on behalf of Windsor-Hawkesbury Community Radio.

All three applicants satisfied the eligibility requirements and we allocated temporary licences to each for a period of six months to 5 June 2018. In May 2018, following consultation with the three licensees, we extended the licences by six months to 5 December 2018.

Community radio broadcasting licences

During the reporting period, we assessed 45 applications to renew community radio broadcasting licences, of which 43 were renewed. Of those renewed, four were remote Indigenous broadcasting services, while 35 received informal advice letters on ways to better satisfy the matters specified in legislation to warrant renewal of a licence.

Two community radio broadcasting licences were not renewed—2VTR in the Windsor RA1 licence area and 4MIG in the Mt Isa RA2 licence area.

Two community radio broadcasting licences were surrendered—Brisbane River Valley Radio Inc. in the Esk RA1 licence area and Us Mob Indigimedia Network Inc. in the Cherbourg RA1 licence area.

In August 2017, we advertised for applications for long-term community radio broadcasting licences in six licence areas—Castlemaine RA1, Darwin RA1, Riverland RA1, Seymour RA1, Temora RA1 and Wellington RA1. All six licences were allocated.

During the reporting period, we also assessed applications for the transfer of 18 community radio broadcasting licences from small Indigenous organisations to a Remote Indigenous Media Organisation (RIMO). All transfers were approved.

As at 30 June 2018, there were 353 community radio broadcasting licences, 68 of which were remote Indigenous broadcasting services.

Commercial radio broadcasting licences

During 2017–18, we renewed 53 commercial radio broadcasting licences for services using the broadcasting services bands (BSB). No new commercial radio broadcasting licences were allocated for services using the BSB during the reporting period.

As at 30 June 2018, there were 274 commercial radio broadcasting licences.

Commercial television broadcasting licences

During 2017–18, we renewed 23 commercial television broadcasting licences. As at 30 June 2018, there were 69 commercial television broadcasting licences.

Community television broadcasting licences

There were five community television broadcasting licences at 30 June 2018—four remote Indigenous broadcasting services and one metropolitan service in Melbourne. In May 2018, the minister granted a two-year extension to the community television broadcaster in Melbourne, until 30 June 2020.

During the reporting period, 15 remote Indigenous community television broadcasting licences were surrendered and 29 licensees did not apply to renew their licences, which lapsed on their respective expiry dates.

Community television trial

During 2017–18, we extended community television trials in Adelaide and Perth for a further six months, from 1 January to 30 June 2018. Following the minister's decision of May 2018, we extended the two community television trials for a further two years, to 30 June 2020.

Radiocommunications licensing

Apparatus licensing

In 2017–18, the ACMA:

- > allocated 99 per cent of new apparatus licences within 90 days, exceeding the target of 90 per cent
- > issued 15,966 new apparatus licences, compared with 14,984 in 2016–17
- > renewed 154,437 apparatus licences.

At 30 June 2018, the total number of apparatus licences was 164,552, an increase on the previous year (see Table 3.11).

Table 3.11: Apparatus licences, 2015–16 to 2017–18

Licence type	30 June 2016	30 June 2017	30 June 2018
Aeronautical	2,217	2,298	2,169
Aircraft	12	11	11
Amateur	15,129	15,144	15,174
Broadcasting	8,195	8,360	8,418
Defence	78	78	78
Earth	594	635	561
Earth receive	570	589	652
Fixed	42,470	42,868	44,903
Fixed receive	1,004	996	979
Land mobile	71,198	72,154	74,786
Major coast receive	17	17	17
Maritime coast	3,325	3,346	3,396
Maritime ship	6,557	6,261	5,981
Outpost	3,041	2,861	2,696
PTS	369	658	723
Radiodetermination	3,139	3,222	3,234
Scientific	384	391	384
Space	100	88	146
Space receive	264	257	244
Total	158,663	160,234	164,552

Price-based apparatus licence allocations—LPON licences

Low-power open narrowcasting (LPON) services provide niche broadcasting services such as tourist, religious or ethnic programming. These services are limited by power and therefore serve limited coverage areas.

The ACMA held allocation exercises in July 2017, October 2017, February 2018 and May 2018.

During the reporting period, we allocated an additional 81 LPON licences and raised revenue of \$29,490.

Low interference potential devices

The Radiocommunications (Low Interference Potential Devices) Class Licence 2015 (LIPD Class Licence), made under section 132 of the Radiocommunications Act, authorises any person to use a variety of short-range, low spectrum-impact devices.

The LIPD Class Licence is updated regularly to include arrangements for new devices in response to approaches from industry, ongoing changes in technology and the desire for international harmonisation.

Following public consultation, we varied the LIPD Class Licence on 21 June 2018 to include:

- > new arrangements for all transmitters in the 122–122.25 GHz frequency band
- > arrangements for medical endoscopy capsules operating in the 430–440 MHz frequency band
- > arrangements for medical body area networks and low-power active medical implants operating in the 2483.5–2500 MHz frequency band
- > revised arrangements for digital modulation transmitters in the 57–66 GHz frequency band to better align with the US Federal Communications Commission (FCC) Rules.

Spectrum licensing**Expiring spectrum licences**

The ACMA's spectrum licence reissue program involved spectrum licences auctioned in the mid-1990s and early 2000s, and that reached expiry between 2013 and late 2017. A 2012 ministerial determination stated that renewing these licences would, in certain circumstances, be in the public interest. The minister also determined the reissue prices of licences, based on contemporary estimates of the market value of the spectrum. The process affected spectrum licences in the 800 MHz, 1800 MHz, 2 GHz, 2.3 GHz, 3.4 GHz and 27 GHz bands. The 2 GHz licences, which were reissued to incumbents in late 2017, were the last to be covered by this program.

Table 3.12 summarises all spectrum-licensed frequency bands and bandwidths, the relevant expiry date for licences in each band, and the type of service for which the applicable technical framework is optimised.

Table 3.12: Spectrum-licensed bands

Band	Frequencies	Expiry	Main use
700 MHz	703–748 MHz 758–803 MHz (paired)	31 December 2029	Public mobile telephony (3G, 4G)
800 MHz	825–845 MHz 870–890 MHz (paired)	17 June 2028	Public mobile telephony (3G, 4G)
1800 MHz	1710–1785 MHz 1805–1880 MHz (paired)	17 June 2028	Public mobile telephony (4G. GSM-R [^])
2 GHz	1920–1980 MHz 2110–2170 MHz (paired)	11 October 2032	Public mobile telephony (3G, 4G)
2.3 GHz	2302–2400 MHz (unpaired)	24 July 2030	Fixed/mobile wireless broadband
2.5 GHz	2500–2570 MHz 2620–2690 MHz (paired) 2570–2620 MHz (unpaired)	30 September 2029	Fixed/mobile wireless broadband Television outside broadcasting
3.4 GHz	3425–3492.5 MHz 3542.5–3575 MHz (unpaired)	13 December 2030	Fixed/mobile wireless broadband
20 and 30 GHz	20.2–21.2 GHz 30–31 GHz (paired)	26 April 2021	Satellite services

[^]GSM-R is a system based on the GSM standard that provides communication and control for railway traffic and signals.

Accredited persons register all devices that require authorisation to operate under a spectrum licence, supporting the self-regulatory approach to spectrum management introduced in 1997. This approach allows licensees to take responsibility for much of the administration of their spectrum licences. For more information, see *Accredited persons scheme*, page 69.

Telecommunications licensing

Carrier licensing

The ACMA granted 27 carrier licences in 2017–18, all within the statutory 20-day time frame (compared with 33 licences issued in 2016–17). Eight carrier licences were surrendered, and one was cancelled because the corporation holding the licence was deregistered by the Australian Securities and Investments Commission. As at 30 June 2018, there were 293 licensed carriers in Australia.

We issued eight nominated carrier declarations and revoked five. As at 30 June 2018, there were 93 nominated carrier declarations in force. We also issued four trial certificates during 2017–18, compared with six in 2016–17.

Carriers' powers and immunities

In 2017–18, the ACMA responded to 82 enquiries and received 12 complaints from local councils, carriers, solicitors, landowners or members of the public about matters related to carriers' powers to enter land and install facilities covered by Schedule 3 to the Telecommunications Act and the Telecommunications Code of Practice 2018 (see Table 3.13).¹

We completed five preliminary assessments about alleged contraventions of Schedule 3 to the Telecommunications Act and the Code of Practice, while two complaints were closed without the need to undertake a preliminary assessment. A further five preliminary assessments will continue into 2018–19.

Following these preliminary assessments, we did not find any breaches of Schedule 3 to the Telecommunications Act or the Code of Practice.

Table 3.13: Carriers' powers and immunities—enquiries and complaints received, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Enquiries	72	25	17	63	82
Complaints	0	0	1	3	12
Total	72	25	18	66	94

Deployment of optical fibre

Part 20A of the Telecommunications Act requires developers to install fibre-ready infrastructure in new developments and ensure that any fixed line facilities installed in a development must be fibre-ready. We have received one complaint about the deployment of fixed-line facilities in a real estate development project.

Mobile phone base station deployment

The planning and installation of mobile phone radiocommunications infrastructure is subject to industry code C564:2011 *Mobile Phone Base Station Deployment*.

Under the code, carriers must consult with local councils and the community on the placement of certain mobile phone facilities, typically low-impact facilities. If a person is not satisfied that a carrier has complied with the code, they can complain to the ACMA. In accordance with Part 26 of the Telecommunications Act, we may make preliminary enquiries of the respondent and/or carrier to decide whether to investigate the matter.

We have the power to issue formal warnings and directions to carriers to comply with the code. We do not have the power to direct a carrier to remove or relocate facilities.

In 2017–18, we responded to 25 enquiries and received 12 complaints under the industry code (see Table 3.14). Over the same period, we completed 13 preliminary assessments, including five that were carried over from 2016–17. Three preliminary assessments carried over were closed due to no further information being provided, while a further four will continue into 2018–19. While no breaches were found, we raised several potential process improvements with carriers and the Mobile Carriers Forum. These are being considered as part of a review of the industry code that began in the second half of 2017–18.

¹ The Telecommunications Code of Practice 2018 was registered on 20 February 2018, superseding the Telecommunications Code of Practice 1997.

Table 3.14: Industry code enquiries and complaints received, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Enquiries	23	29	10	35	25
Complaints	2	0	48	12	12
Total	25	29	58	47	37

Submarine cable protection zones

Submarine cables carry the bulk of Australia’s international voice and data traffic and contribute significantly to the Australian economy. Schedule 3A to the Telecommunications Act enables the ACMA to declare protection zones over nationally significant cables, and to prohibit or restrict activities that pose a risk of damaging cables in these zones.

At 30 June 2018, one request for a new submarine cable protection zone remained under consideration.

Submarine cable installation permits

Carriers are required to apply to the ACMA for a permit to authorise installation of a submarine cable in Australian waters. In 2017–18, we:

- > Granted a protection zone permit for the installation of a submarine cable connecting Sydney and the United States. Installation of the cable was completed in Australian waters at 30 June 2018.
- > Granted two protection zone installation permits for installation of a new international cable to connect Perth and Singapore.² Construction of this cable is complete in Australian waters. We also received a further three permit applications associated with a new cable system proposed to connect Sydney to Perth (via Australia’s southern coastline) and Perth to Singapore. These applications remained under consideration at 30 June 2018.
- > Approved three separate requests to extend the duration of existing protection zone installation permits. Three permits were surrendered by carriers and a further four permits expired (the permit-holders did not apply to extend the duration of the permit).

Accredited persons scheme

The accredited persons (APs) scheme provides a market-based solution for frequency coordination and device registration. This provides an efficient method for end-users to meet their spectrum requirements while reducing costs associated with administrative application procedures and lengthy allocation time frames. Under the scheme, we accredit appropriately qualified persons to issue frequency assignment certificates for apparatus licences and interference impact certificates for spectrum licences. APs now undertake most frequency assignment activity for the Australian radiocommunications sector.

In 2017–18, APs registered 163,445 devices operated under spectrum licences, and the total number of APs increased from 64 to 69 (see Table 3.15). The percentage of assignment activity performed by APs remained approximately the same as in 2016–17 (see Table 3.16). The AP scheme is operating effectively and contributes significantly to efficient access to and use of the spectrum.

² Following a marine route survey, the applicant applied for a second permit to accommodate a required route deviation.

Table 3.15: Number of APs, 2013–14 to 2017–18

2013–14	2014–15	2015–16	2016–17	2017–18
41	47	55	64	69

Table 3.16: Assignments registered, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Frequency assignments registered by APs	20,230 83%	23,733 88%	19,478 96%	24,965 97%	24,688 97%
Frequency assignments performed by the ACMA	4,198 17%	3,275 12%	734 4%	711 3%	721 3%

Marine radio certificates of proficiency and operator examinations

The Australian Maritime College (AMC) provides marine radio operator certification and examination services on behalf of the ACMA. Table 3.17 shows activity levels for the AMC's last two financial years (January–December).

Table 3.17: Marine radio operator certification and examination services activity levels, 2016 and 2017

	2016	2017
Total applications received		
Long Range Operator Certificate of Proficiency	3,460	3,398
Short Range Operator Certificate of Proficiency	1,687	1,631
Marine Satellite Communications Certificate	57	26
Number of examinations undertaken		
Long Range Operator Certificate of Proficiency	3,265	3,119
Short Range Operator Certificate of Proficiency	1,662	1,589
Marine Satellite Communications Certificate	9	17
Number of certificates issued		
Long Range Operator Certificate of Proficiency	3,382	3,322
Short Range Operator Certificate of Proficiency	1,622	1,547
Marine Satellite Communications Certificate	57	26
Total handbook sales		
Marine Radio Operators Handbooks	2,349	2,304
Marine Radio Operators VHF Handbooks	2,065	1,811

Source: Office of Maritime Communications Annual Performance Report, 1 January to 31 December 2017.

Amateur radio operator examination services

The Wireless Institute of Australia (WIA) provides examination services to the amateur radio community on behalf of the ACMA. During 2017–18, the WIA conducted 1,354 amateur examinations. Table 3.18 shows the number of amateur certificates of proficiency issued based on the results of these examinations.

The WIA also made 1,123 recommendations on call sign allocation. We allocated 1,088 call signs based on these recommendations and approved 44 call sign changes.

Table 3.18: Amateur certificates of proficiency issued, 2016–17 and 2017–18

Certificate level	Certificates issued	
	2016–17	2017–18
Foundation	312	402
Standard	88	113
Advanced	86	103
Total	486	618

Source: *Wireless Institute of Australia Annual Performance Report, July 2018.*

Consumer safeguards, education and information

This section reflects the ACMA's performance against key deliverables for PBS Program 1.2 and corporate plan strategy—safeguards, advice and education.



Telecommunications safeguards

We undertake activities to ensure industry is complying with key telecommunications consumer protection requirements.

Highlights in 2017–18 included:

- > A focused program of work on the NBN consumer experience, which included a detailed information-gathering exercise and making new rules to address areas of identified consumer detriment.
- > A review of the Consumer Consultative Forum to ensure it remains an effective consultative mechanism for the ACMA.
- > Implementing a priorities-focused program for our telecommunications consumer protection compliance and education activities.
- > Completing 83 per cent of telecommunications investigations relating to the Telecommunications Consumer Protections (TCP) Code within the target time frame of six months, with the average time for completing these investigations being 3.4 months.

NBN consumer experience

In August 2017, we announced an increased focus on the experience of consumers moving to and using services on the NBN, starting with a comprehensive evidence-gathering exercise. On 20 December 2017, the minister directed the ACMA to make industry standards under section 125AA of the Telecommunications Act, imposing requirements on certain carriers and CSPs for the services they provide, in order to improve consumer experiences with services supplied using the NBN. In accordance with the direction, we made the following standards in 2017–18:

- > a consumer information standard to ensure that consumers receive the appropriate pre-sale information and advice from providers to help them choose and prepare for their migration to services delivered over the NBN
- > a service continuity standard to minimise the likelihood of consumers on certain NBN technologies being left without a working telecommunications service for extended periods when migrating
- > a complaints-handling standard specifying how providers must manage complaints, including time frames for response and resolution.

We also made a record-keeping rule requiring larger providers to report complaints data to us on a quarterly basis.



Every week thousands of Australian consumers are moving their services to the NBN. While the majority of consumers have a good experience, not all customers have had a smooth transition. The ACMA actively worked to understand the key pain points for consumers and quickly introduced new rules to address them.

Improving the NBN consumer experience

Case study

Improving the NBN consumer experience has been a key priority for the ACMA. Following a rapid increase in complaints to the Telecommunications Industry Ombudsman (TIO) and concerns about how telcos are connecting customers to the NBN, in August 2017 we commenced a detailed information-gathering exercise to get to the bottom of these concerns.

We asked a range of industry participants across the supply chain to give us key data such as connections, faults and complaints so we could understand the type, incidence and causes of consumer pain points.

We also sought information from consumers themselves, commissioning independent research about the experience of households and businesses who had connected in the 12 months before fieldwork.

We also reviewed websites to learn more about the full suite of information telcos were providing to their customers when they were looking to move services to the NBN.

At a high level, this program found that consumers were not getting the right information at the right time to choose the best service for their household, were sometimes left without a working service, and were not having their complaints dealt with quickly and effectively by their telco provider.

The evidence collected provided a strong justification for further regulatory intervention. In December 2017, the Minister for Communications and the ACMA announced plans to introduce a series of new regulatory protections. To facilitate this work, the minister directed the ACMA to make three industry standards.

In the space of six months, the ACMA consulted upon and made new rules to improve the consumer experience. These rules ensure that consumers moving to the NBN will have the information they need to choose the service and plan that is right for them, confidence that their new service will work as promised, and importantly, that their complaints are heard and addressed effectively.

These rules will come into effect in the next reporting period as we turn our focus to monitoring compliance.

TCP Code

The TCP Code provides safeguards for consumers of telecommunications services and products in the following areas:

- > provision of information to consumers
- > advertising
- > selling practices
- > contracting with consumers
- > dealing with consumers with different needs and customer service
- > billing
- > credit and debt management
- > changing suppliers
- > complaints-handling.

The ACMA actively promotes telecommunications providers' compliance with the TCP Code. We also commission consumer research to assess the effectiveness of specific TCP Code provisions.

We initiate preliminary inquiries to assess whether a particular provider may not be complying with certain provisions of the TCP Code. In some cases, where potential breaches of the code are identified, we give providers an opportunity to promptly address our concerns and minimise ongoing consumer detriment. However, we may begin a formal investigation under Part 26 of the Telecommunications Act and take enforcement action where there are indications of significant consumer detriment, systemic non-compliance or a resistance by the provider to comply.

During the reporting period, our compliance and enforcement activities focused on:

- > requirements for compliance registration and attestation
- > provision of critical information summaries for services supplied over the NBN
- > complaints-handling practices
- > unauthorised customer transfers.

Inquiries and investigations about TCP Code compliance

In 2017–18, we initiated 33 investigations (at times involving multiple TCP Code issues). See Appendix 5 for the types and outcomes of these investigations.

TCP Code compliance registration and attestations

The TCP Code requires providers to submit compliance attestations to Communications Compliance Ltd. Smaller providers (those with fewer than 3,000 services in operation) were required either to lodge their attestations by 1 April 2017 or submit a notice deferring lodgement to 1 September 2017. Larger providers were required to lodge their compliance attestations on this latter date. During the reporting period, we issued three directions and four formal warnings to providers who failed to lodge compliance attestations.

Critical information summaries

In 2017–18, we conducted a review of critical information summaries (CIS), assessing 212 offers from 131 providers offering retail services over the NBN. CIS provide important information to consumers choosing between plans from different providers. The review found that 97 per cent of providers had one or more CIS readily available on their website, as required under the TCP Code. We formally warned three providers for not providing any CIS, who promptly addressed their non-compliance by developing CIS and including them on their websites.

Our review of supplier websites also found that many NBN providers were not following voluntary industry guidelines to supply information on medical alarms and the implications of power outages on NBN services. The new consumer information standard, made as part of the NBN consumer experience suite of measures (see pages 72–73), will address this information gap.

Complaints-handling

In 2017–18, we completed two investigations into providers' complaints-handling practices. In both cases, they breached the complaints-handling and record-keeping rules of the code—for one provider, it was the second breach. We directed this provider to comply with the code and formally warned the other provider.

Financial hardship review

In 2017–18, we audited providers' compliance with the requirement to publish a financial hardship policy on their website. The audit found a high level of compliance, with no enforcement action taken.

Customer transfer

In 2017–18, we finalised one investigation into a provider's compliance with the customer transfer provisions of the TCP Code. The provider was found to have breached the requirements of the TCP Code and was formally warned.

Information about telecommunication products and services for consumers with a disability

In June 2018, we began a mystery shopping survey to assess the extent to which providers offering disability products and services are making information about those products and services available to consumers. Under the TCP Code, providers are required to provide information about products and services they offer in response to an identified need from consumers. We intend to publish the results of this survey in the next reporting period.

Selling practices

In June 2018, we began an investigation into whether a provider complied with TCP Code provisions for the selling of post-paid mobile services. This followed concerns about a number of customers on low incomes who were sold services and subsequently incurred significant debts. This investigation is ongoing.

Review of the TCP Code

In August 2017, Communications Alliance announced a review of the TCP Code. The ACMA was an observer on the working group considering the code revision. A draft code will be released for public consultation in the first half of 2018–19.

In August 2017, we registered a variation to the TCP Code to implement recommendation 108 from the Victorian Royal Commission into Family Violence. The Commission recommended enhancements to the TCP Code to facilitate better access to financial hardship programs for victims of family violence.

Mobile premium services

The Mobile Premium Services (MPS) Code gives consumers using mobile premium services protections on informed purchasing, billing information and complaints-handling.

During the reporting period, Communications Alliance completed a public consultation process on proposed changes to the MPS Code. The review was then put on hold and potential changes to complaints-handling protections are now being considered as part of the TCP Code review.

International Mobile Roaming Standard

During the reporting period, we began a review of the International Mobile Roaming (IMR) Standard. The IMR Standard aims to help minimise bill shock from international roaming by requiring providers to give consumers information about overseas roaming costs and allow them to opt out of these services. Providers must also offer their customers spend management tools to help them manage expenditure while travelling overseas.

Telecommunications Industry Ombudsman scheme

Telecommunications consumer safeguards require that carriers and eligible CSPs join and comply with the Telecommunications Industry Ombudsman (TIO) scheme under the TCPSS Act. The TIO scheme provides an alternative dispute resolution service for small business and residential customers with unresolved complaints about their telephone or internet services. The ACMA helps to protect consumers by ensuring industry compliance with the TIO scheme.

TIO scheme membership

In 2017–18, the TIO referred six companies to the ACMA for failing to join the TIO scheme, and we initiated six investigations. At 30 June 2018, one of the six providers had joined the TIO scheme. We were satisfied that two of the six providers were not providing services that required them to join the TIO scheme, while the remaining three providers were no longer trading or had sold their customer base.

TIO scheme compliance

In 2017–18, we did not receive any new referrals from the TIO for non-compliance with the TIO scheme. Following a TIO referral in 2016–17, we finalised an investigation into a provider for failing to comply with the TIO scheme. No enforcement action was taken as the company had ceased trading.

Exemptions from the TIO scheme

Section 129 of the TCPSS Act allows the ACMA to declare a carrier or eligible CSP exempt from the TIO scheme. During the reporting period, we received three applications from suppliers requesting such an exemption—one was rejected, another was not considered due to the applicant failing to provide sufficient information to determine an assessment and the other is under consideration. The ACMA declared one exemption in the reporting period following the receipt of an application in the prior reporting period.

Payphone performance

In October 2017, we completed our assessment of Telstra's compliance against the Telecommunications Universal Service Obligation (Payphone Performance Benchmarks) Instrument (No. 1) 2011 for the period 1 July 2016 to 30 June 2017. We determined that Telstra met the required benchmarks.

Customer Service Guarantee

In October 2017, we completed our assessment of the compliance of qualifying CSPs against the Telecommunications (Customer Service Guarantee – Retail Performance Benchmarks) Instrument (No. 1) 2011 and Telecommunications (Customer Service Guarantee) Record-Keeping Rules 2011. The benchmarks and record-keeping rules applied to Telstra, Optus, iiNet and Dodo for the 2016–17 period. Each of these providers met all relevant benchmarks in that reporting period.³

We also receive notification of exemptions declared by CSPs for mass service disruptions. The number of mass service disruption notices (not including extensions) received from carriers/ CSPs decreased from 268 in 2016–17 to 193 in 2017–18 (see Table 3.19). The impact of each exemption depends on the particular circumstances, varying in duration and the number of services affected.

Table 3.19: Mass service disruption notices, by carrier/CSP

Carrier	No. of notices, 2016–17	No. of notices, 2017–18
Telstra	59	45
iiNet	50	43
Optus	59	45
M2 Group	58	44
Foxtel	42	16
Total	268	193

Network Reliability Framework

Under the Network Reliability Framework (NRF), Telstra must give the ACMA network performance reports at three levels:

- > Level 1—geographical area level, based on Telstra’s field service areas
- > Level 2—disaggregated parts of the network known as cable runs
- > Level 3—the individual service level.

Level 1 shows the percentage of CSG services without a fault or service difficulty, the percentage of time CSG services are available and the time taken to restore fault-affected CSG services.

Each month, Telstra is required to report to the ACMA on the worst performing cable runs, and then has six months to remediate these cable runs. During 2017–18, the ACMA approved two requests from Telstra for extensions of time to remediate cable runs. This falls under Level 2 of the NRF.

Under Level 3, Telstra must remediate individual services that have experienced more than three faults or service difficulties in a 60-day rolling period, or more than four faults or service difficulties in a 365-day rolling calendar period. The ACMA may agree to Telstra’s proposed remediation actions for these services. In 2017–18, Telstra reported 1,670 Level 3 contraventions. The ACMA agreed with all submitted remediation plans.

In 2017–18, we agreed to exercise regulatory forbearance in circumstances where Telstra was unable to meet its level 2 and 3 obligations because its network assets had been transferred to NBN Co. This was contingent on Telstra meeting certain conditions.

In June 2018, we agreed to extend the current regulatory forbearance arrangements that apply on assets Telstra does not own to 30 June 2019.

³ On 20 November 2017, we gave iiNet a written notice under section 15 of the Telecommunications (Customer Service Guarantee) Record-Keeping Rules 2011 to engage an independent auditor to audit its 2016–17 compliance report. The audit resulted in iiNet submitting a revised 2016–17 compliance report to the ACMA.

Priority assistance

Priority assistance is an enhanced telephone connection and repair service for people with a diagnosed life-threatening medical condition who are at risk of suffering a rapid deterioration in their condition. Telstra is required under its carrier licence conditions to provide priority assistance services. Other service providers may offer priority assistance in accordance with industry code ACIF C609:2007 *Priority Assistance for Life Threatening Medical Conditions*.

Consumer Consultative Forum

The Consumer Consultative Forum (CCF) is a formal advisory committee established to help us perform our consumer functions. It provides advice to the ACMA on telecommunications issues that affect consumers.

During the reporting period, consumer representatives joined regulators and industry bodies at two meetings, in October 2017 and March 2018, to discuss topics including:

- > consumers' experience when migrating to the NBN and the ACMA's proposed regulatory interventions
- > telecommunications consumer protection compliance and enforcement priorities
- > the impact of inequitable access to telecommunications services in rural, regional and remote Australia
- > telemarketing and other unsolicited communications matters.

Alongside the CCF meeting in October, we hosted a joint Communications Alliance/Australian Communications Consumer Action Network (ACCAN) roundtable with consumer stakeholders. The discussion focused on the TCP Code monitoring and compliance activities undertaken by the ACMA and Communications Compliance ahead of the code review.

CCF review

In 2017–18, we reviewed the CCF to ensure it remains an effective consultative mechanism. The outcomes of the review were announced in June 2018. Revised terms of reference include the appointment of consumer organisations, rather than individuals, and the development of an annual workplan.

Membership of the CCF is listed in Appendix 1.



Unsolicited communications safeguards

The ACMA is responsible for the telemarketing and spam—‘unsolicited communications’—safeguards. This includes providing the Do Not Call Register (DNCR) and promoting responsible industry compliance with the:

- > *Do Not Call Register Act 2006* (DNCR Act)
- > Telecommunications (Telemarketing and Research Calls) Industry Standard 2017 (Telemarketing Industry Standard)
- > Fax Marketing Industry Standard 2011 (Fax Marketing Industry Standard)
- > *Spam Act 2003* (Spam Act).

Key highlights for 2017–18 included:

- > Exceeding the target for the DNCR to be available to the public and industry for more than 99.5 per cent of its scheduled operating hours.
- > Implementing compliance programs for telemarketing in the solar industry, consent-based marketing and unsolicited communications from registered charities, including comprehensive stakeholder and consumer engagement.
- > Finalising 18 investigations, with key enforcement actions including two infringement notices for telemarketing in the solar industry, and three infringement notices for consent-based marketing for both telemarketing and spam.
- > Improving investigation timeliness—the average time to complete an investigation was reduced from 8.6 to 4.2 months.

Do Not Call Register

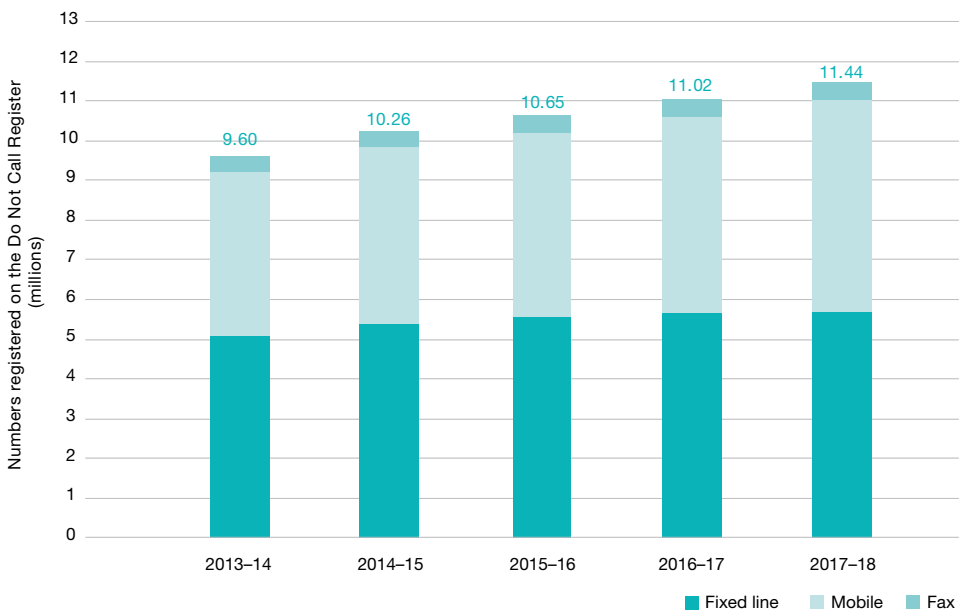
The DNCR is operated under contract by Salmat Digital Pty Ltd. It provides easy-to-use channels for consumers to register, check or remove their numbers, while also providing self-service options for industry to efficiently access the number-checking (‘washing’) service and their accounts.

During 2017–18, Salmat met its contractual obligations. Specifically, the DNCR, washing service and contact centre were all available for more than the required 99.5 per cent of scheduled operating hours.

At 30 June 2018, there were 11.44 million numbers on the DNCR. This comprised 5.72 million fixed-line numbers, 5.30 million mobile numbers and 420,887 fax numbers (see Figure 3.2).

In 2017–18, 424,683 fixed-line, mobile and fax numbers were added to the DNCR. Of this increase in registrations, 84.8 per cent were mobile numbers. Over 727 million numbers were washed against the DNCR by 976 marketers.

Figure 3.2: Fixed-line, mobile and fax numbers listed on the DNCR, 2013–14 to 2017–18



Unsolicited communications compliance and enforcement

Complaints

Australians can complain to the ACMA about calls, faxes, emails and SMS they receive, as well as directly forward email and SMS to us. These reports, along with reports and information from industry and international partners, inform our broader intelligence picture.

We have seen an increase in telemarketing complaints over recent years, which likely reflects both improved awareness and take-up of the DNCR, and increasing scam activity and growing consumer concern about unsolicited marketing (see Table 3.20).

Over 2017–18, there was a notable increase in email and SMS complaints. The majority of this increase was due to complaints about SMS and email communication during the Australian Marriage Law Postal Survey, rather than indicative of any broader trend.

Table 3.20: Complaints about unsolicited communications, 2016–17 and 2017–18

Activity	2016–17	2017–18
Email and SMS complaints	2,389	3,309
Telemarketing complaints	28,197	40,098
Fax marketing complaints	62	36

Compliance program

Given the volume and nature of complaints about telemarketing and spam, in 2017–18 we implemented a PCA program for unsolicited communications, which focused on:

- > Telemarketing in the solar industry—complaints about the solar industry comprised just over 10 per cent of complaints in 2017–18. We worked closely with industry bodies and regulators including the Clean Energy Regulator, Clean Energy Council and Australian Solar Council (now the Smart Energy Council) to educate industry about its obligations. We also prioritised investigations into solar telemarketing.
- > Consent-based marketing—complaints about both telemarketing and spam frequently indicated that consumers considered they had not consented to receive marketing. As a result, consent was a key issue in our investigations, whether or not the business was found to have broken the law. We continued to educate both consumers and industry and took strong enforcement action where needed.
- > Registered charities—due to consistent complaints received about registered charities, we worked with the Fundraising Institute of Australia and the Australian Charities and Not-for-profits Commission to educate industry about its obligations and also provided input into industry self-regulation initiatives.

Compliance and enforcement

We deploy a range of graduated compliance activities depending on the risk of harm involved. This includes providing education and information to business, contacting entities directly about potential non-compliance and investigating where non-compliance is ongoing, systemic or otherwise warrants escalated action. Where non-compliance is found, the penalties can be significant.

Table 3.21: Enforcement activity, 2016–17 and 2017–18

Activity	2016–17	2017–18
Spam compliance contacts	2,769	1,517
Telemarketing compliance contacts	2,280	1,857
Investigations commenced	8	19
Investigations finalised*	5	18
No breach	3	4
Formal warnings	1	2
Enforceable undertakings	0	2
Infringement notices	1	5

*Four breach investigations enforcement actions pending, one with no finding.

Key enforcement outcomes in 2017–18 included businesses paying the following infringement notices:

- > TPG Internet Pty Ltd: \$360,000 for SMS sent after consumers had attempted to unsubscribe
- > Service Seeking Pty Ltd: \$50,400 for SMS sent without consent, without clear identification of the sender and without an unsubscribe statement
- > Eco Star Double Glazing Pty Ltd: \$25,200 for telemarketing calls made to numbers on the DNCR without consent
- > Allied Construction and Roofing Pty Ltd: \$21,600 for telemarketing calls made to numbers on the DNCR without consent (solar industry)
- > Instyle Solar Pty Ltd: \$10,800 for telemarketing calls made to numbers on the DNCR without consent (solar industry).

Industry and consumer engagement

We engage directly with industry about complaints where we have enough information to identify who is responsible for the communication (this information may not always be available, particularly for telemarketing complaints). In 2017–18:

- > 37.74 per cent of complaints did not contain enough information to identify the caller. This includes when calls are not answered and/or there is no information provided about the calling number.
- > 26.91 per cent of complaints related to scams, where information such as the calling party name and calling number is often falsified.

Where we can identify the entity responsible for the communication, we directly contact them to provide an opportunity to rectify any compliance issues at an early stage. One compliance contact may cover multiple complaints. In 2017–18, we conducted:

- > 1,517 spam compliance contacts
- > 1,857 telemarketing compliance contacts.

In 2017–18, we responded to 14,019 consumer and industry enquiries about telemarketing, and 1,414 enquiries about spam. We also made our unsolicited communications work more transparent by publishing quarterly reports with data about complaint trends and key compliance and enforcement action.

We used social media to promote key consumer messages like scam alerts (including scams impersonating trusted brands such as eBay, Australia Post, Spotify and the DNCR), Privacy Awareness Week and Scams Awareness Week.

We also continued our participation as a member of the executive of the Unsolicited Communications Enforcement Network (UCENet). Recognising that unsolicited communications is a global issue, we support the important work that UCENet is doing to share intelligence and strategic approaches among its members.



Content safeguards

The year was marked by further streamlining of broadcasting safeguards activities to enhance our effectiveness and efficiency in this area. Key highlights for 2017–18 include:

- > Continued year-on-year improvement on investigation time frames. In 2017–18, the average time taken to complete broadcasting investigations was 1.1 months—a 15 per cent reduction on the average time of 1.3 months in 2016–17.
- > The registration of new codes of practice limiting gambling advertising during live sports broadcasts. The rules apply to commercial television, commercial radio, subscription broadcast television, and subscription narrowcast television and radio. The new codes came into effect on 30 March 2018.

Ownership and control

We monitor and investigate compliance with the media diversity and control rules.

Legislative amendments

The *Broadcasting Legislation Amendment (Broadcasting Reform) Act 2017* (Broadcasting Reform Act) came into effect on 16 October 2017 and repealed two media diversity and control rules in the BSA:

- > ‘75 per cent audience reach rule’, which prevented a person from controlling television services that reach in excess of 75 per cent of the Australian population
- > ‘two out of three control rule’, which prevented a person from controlling more than two of the three regulated forms of media (commercial radio, commercial television and associated newspapers).

Notifications of changes in control

Under the BSA, licensees, publishers and persons assuming control are obliged to notify the ACMA of changes in control of regulated media assets; namely, commercial radio broadcasting licences, commercial television broadcasting licences and associated newspapers. We maintain a public register of these notifications and an up-to-date public database of regulated media assets and their controllers. These resources ensure that information about control of regulated media assets is available to members of the public.

In the reporting period, we received notifications about 13 events that affected the control of media operations. These notifications of change of control affected:

- > 11 commercial television broadcasting licences
- > 17 commercial radio broadcasting licences
- > three associated newspapers.

Enforcement for failure to comply with notification provisions

All notifications lodged with us in the reporting period for change-of-control events were processed within the statutory time frames.

During the reporting period, we sent three informal advisory letters for late notifications of changes in control. No infringement notices or formal warnings were given for late notifications.

Prior approval

During the reporting period, we did not receive any applications under section 67 for prior approval of breaches of the statutory control rules, or under section 61AJ for unacceptable media diversity situations, or the repealed section 61AMC for unacceptable three-way control situations.

Broadcasting compliance

Code reviews

During the reporting period, we registered new codes of practice to limit gambling advertising during live sport broadcast on commercial television, commercial radio, subscription broadcast television, and subscription narrowcast television and radio. All codes commenced on 30 March 2018.

Broadcasting investigations

The numbers of complaints and investigations into broadcasters' compliance with codes of practice, licence conditions and standards related to the BSA are provided in Table 3.22. Details of breach and non-breach findings by category of broadcasting service are in Appendix 4.

Table 3.22: Broadcasting complaints and investigations for commercial, national, subscription and community broadcasters, and datacasters, 2017–18

	2017–18
Written complaints and enquiries received	1166
Written complaints and enquiries actioned within seven days or less	99.7%
Investigations completed	74
Investigations resulting in breach findings[^]	39
Investigations of compliance with codes of practice	6
Investigations of compliance with BSA, licence conditions or standards	33
Investigations resulting in non-breach findings	35
Investigations of compliance with codes of practice	29
Investigations of compliance with BSA, licence conditions or standards	6
Investigations completed within time frame of three months	71
Investigations completed within time frame of six months	74
Average time for completion of investigations	1.1 months

[^] Investigations involving compliance with codes of practice may also involve licence conditions or standards. For the purposes of the annual report, these investigations have only been counted once.

Discretion to investigate

The ACMA has the discretion to investigate complaints about broadcasting matters. When deciding whether to investigate a particular matter, our primary consideration is the public interest. We consider a range of factors, including the nature and seriousness of the matter raised or steps taken by the broadcaster involved to prevent future incidences of the issue.

In the current reporting period, we exercised our discretion to commence 78 investigations and declined to investigate 101 broadcasting matters. In 2016–17, we exercised our discretion to commence 120 investigations and declined to investigate 78 broadcasting matters.

Local content

Regional television

Investigations—local content licence condition

During the reporting period, there were no complaints or investigations involving compliance with the regional commercial television local content licence condition to broadcast minimum amounts of material of local significance.

Media reform amendments—‘trigger events’ in commercial television licence areas

On 16 October 2017, parliament enacted the Broadcasting Reform Act, which reformed the existing regulatory framework for the provision of ‘material of local significance’ (that is, local content) by commercial television broadcasting licensees in regional areas. The Broadcasting Reform Act introduced:

- > additional local content obligations for commercial television broadcasting licences already covered by local content rules in the more populous regional licence areas in Queensland, New South Wales, Victoria and Tasmania (collectively referred to as ‘aggregated’ licence areas)
- > new local content obligations for commercial television broadcasting licences in the remaining ‘non-aggregated’ regional licence areas in South Australia, Western Australia, and western parts of New South Wales and Queensland.

The new and additional local content rules come into effect where a regional commercial television broadcasting licence becomes part of a network of television licences with a common controller that has a market ‘reach’ in excess of 75 per cent of the Australian population (known as a ‘trigger event’).

To facilitate the new framework, the Broadcasting Reform Act requires the ACMA to make a ‘local programming determination’ for regional television licences to come into effect within six months of the legislation being enacted.

Accordingly, on 22 March 2018, we made the Broadcasting Services Local Programming Determination 2018, which came into effect on 17 April 2018.

There were no regional television trigger events from the time of enactment of the Broadcasting Reform Act to the end of the reporting period.

Regional radio

Investigations—local content licence condition

During the reporting period, there were no complaints or investigations involving compliance with the regional commercial radio local content licence condition to broadcast prescribed amounts of material of local significance between 5 am and 8 pm on business days.

Local content and presence obligations due to a regional radio trigger event

The BSA sets out circumstances where a trigger event for a regional commercial radio broadcasting licence causes additional obligations to apply to a regional commercial radio licence.⁴ These include obligations to meet minimum service standards for local news, weather, community service announcements and emergency warnings, and the requirement to prepare a local content plan and take all reasonable steps to comply with it.

⁴ Subject to certain exceptions, a ‘trigger event’ for a regional commercial radio broadcasting licence is defined as: (a) a change in control of a regional commercial radio licence, (b) the formation of a new registrable media group where a regional commercial radio broadcasting licence is in the group or (c) a change in controller of a registrable media group where a regional commercial radio broadcasting licence is in the group. A trigger event for a regional commercial radio broadcasting licence is different to a trigger event for a regional commercial television broadcasting licence, as introduced by the Broadcasting Reform Act.

During the reporting period, there was one trigger event affecting four regional commercial radio licences; all of those licences had previously been affected by a trigger event. All required draft local content plans and local presence reports were provided in the 90-day statutory time frame.

Compliance with local content plans

Annual reporting for the 2016–17 financial year⁵ from trigger event-affected regional commercial radio broadcasting licensees showed a high level of compliance with their local content plans for the broadcast of local news and information (minimum service standards).

Of the 145 annual compliance reports provided to us by trigger event-affected licensees, all reported compliance with the statutory minimum service standards. Only 138 reported compliance with their approved local content plans.

The remaining seven licensees provided less than the minimum number of eligible local weather bulletins specified in their local content plan (although all provided well in excess of the statutory minimum of five eligible local weather bulletins per week). Considering the low impact of the breach and the steps licensees took to rectify the non-compliance, all seven cases were resolved with no further action.

Investigations—minimum service standards and local content plan

During the reporting period, there was one complaint about a trigger event-affected licensee not fulfilling the requirement to broadcast local news and information on affected regional commercial radio broadcasting services.

Our investigation found the licensee had failed to comply with the local content plan and minimum service standards. We did not take any enforcement action on these matters after the licensee advised it had implemented measures to avoid future non-compliance, including improved managerial oversight.

Regional and Small Publishers Innovation Fund

The Regional and Small Publishers Innovation Fund is a competitive grants program providing up to \$16 million per year over three financial years, from 2018–19.

On 20 June 2018, the BSA was amended by the *Communications Legislation Amendment (Regional and Small Publishers Innovation Fund) Act 2018*, giving the ACMA the authority, on behalf of the Commonwealth, to make a grant of financial assistance under the Innovation Fund to a:

- > constitutional corporation that publishes a newspaper, magazine or other periodical
- > content service provider (within the meaning of Schedule 7 to the BSA).

Under the policy developed by the government, the objective of the Innovation Fund is to encourage small and regional news publishers (which includes publishers of newspapers, magazines or other periodicals, as well as content service providers of online news services and journalism) to develop and trial sustainable models for the provision of public interest journalism. This objective recognises the challenges faced by small and regional publishers in comparison to larger metropolitan publishers.

The power to make grants under the BSA is in force for the 2018–19, 2019–20 and 2020–21 financial years.

On 27 June 2018, we opened applications for the first round of grants. Grants under the first round will be decided during 2018–19.

⁵ 2017–18 results will be available in the next reporting period.

Anti-siphoning provisions

In the reporting period, we conducted no formal investigations into the anti-siphoning provisions.

We dealt with four complaints or enquiries about the availability of sports programs on free-to-air television.

Australian content

All metropolitan commercial television broadcasting licensees reported meeting primary channel (55 per cent) and non-primary channel (1,460 hours) transmission quotas for Australian content in 2017.

The transmission quotas are specified by the BSA and apply to programs televised by free-to-air commercial television broadcasters between 6 am and midnight each calendar year. The amount of Australian content provided by commercial television licensees on their primary channels was high, with the Seven Network providing an average of 73 per cent local programming, the Nine Network an average of 75 per cent and Network Ten an average of 68 per cent.

In 2017, all three networks met the 1,460 hours quota for non-primary channels:

- > Seven Network averaged 4,502 hours
- > Nine Network averaged 2,158 hours
- > Network Ten averaged 2,562 hours.

However, 12 regional licensees failed to broadcast the required number of hours of Australian content on their non-primary channels. We decided not to take formal enforcement action for this non-compliance, noting that the:

- > licensees did not have prior warning of their metropolitan affiliate's proposal to move Australian content to 9Life (a multichannel that the licensees had no arrangement to broadcast)
- > detriment to affected audiences was relatively low, as all the Australian programs provided on 9Life had already been broadcast on those licensees' primary channel, except for one program (*Ready, Set, Reno*)
- > surplus of Australian content broadcast on each licensee's primary channel (in excess of their quota) far exceeded the shortfall on those licensees' non-primary channels.

The ACMA also formally advised the licensees of our expectation that they move to compliance in 2018.

Broadcasting Services (Australian Content) Standard 2016

All metropolitan licensees reported compliance with the annual sub-quota requirements for first-release Australian drama, documentary and children's programs in 2017.

The triennium for first-release Australian C drama quota (of 96 hours) concluded in 2017. All metropolitan networks met the quota—both the Seven and Ten networks provided 96 hours per licence and the Nine Network slightly exceeded the quota by providing 97 hours per licence.

However, we investigated 16 regional licensees' compliance with the Broadcasting (Australian Content) Standard 2016 (ACS).

We found that, due to changes in primary affiliation arrangements with metropolitan licensees that took effect from 1 July 2016, 14 regional licensees failed to provide minimum levels of first-release Australian C drama in the 2015–17 triennium. These licensees were reported as having failed to provide minimum levels of first-release Australian C drama in 2016. Noting the unavoidable nature of the breaches, we decided not to take formal enforcement action.

We also found that two licensees of a regional licence (callsign NRN) in Northern New South Wales failed to meet the pro-rata quota amounts for various ACS requirements, as a result of a change of ownership of the licence part-way through the year. We decided not to take formal enforcement action, noting that the NRN licence, taken as a whole, met all the Australian content quota requirements.

Children’s Television Standards 2009

Children’s and preschool programs

During 2017–18, we assessed 28 applications for the classification of children’s (C) and preschool (P) programs (see Table 3.23). All program assessments were completed within 60 days of receiving completed applications.

A list of applications for children and preschool programs granted classification is in Appendix 3.

Table 3.23: Children’s and preschool program classifications, 2016–17 and 2017–18

	2016–17		2017–18	
	Applications granted classification	Applications refused classification*	Applications granted classification	Applications refused classification*
Children’s programs	9	0	6	0
Children’s programs—drama	15	0	12	0
Provisional—children’s	4	0	4	0
Provisional—preschool	1	1	1	0
Preschool programs	4	0	5**	0
Total	33	1	28	0

*These programs failed to satisfy the criteria in the CTS.

**Includes one renewal of classification.

Subscription television drama expenditure

Due to the reporting time frame under the new eligible drama expenditure (NEDE) scheme, only 2016–17 information is available for this annual report.

For the 2016–17 compliance period, six licensees, five channel providers and two pass-through providers supplied 29 eligible drama channels.

All participants met their expenditure obligations for this period, reporting an expenditure on new eligible Australian drama of \$51.95 million (aggregated). Of that amount, \$2.44 million was nominated to acquit the expenditure shortfall for 2015–16.

Industry compliance results for the current and previous periods are shown in Table 3.24.

Table 3.24: NEDE scheme compliance, 2012–13 to 2016–17

	2012–13	2013–14	2014–15	2015–16	2016–17
	\$million				
NEDE obligation	33.41	28.57	31.28	32.79	34.61
Expenditure on new eligible drama	13.70	36.81	36.43	51.23	51.95
Expenditure nominated to make up previous year's NEDE shortfall	6.41	25.76	18.06	15.44	2.44
Expenditure nominated towards current year's NEDE obligation	6.42	10.14	12.47	27.21	33.12
Remaining obligation to be acquitted in the following financial year	25.76	18.06	15.44	2.44	1.48

Captioning

Captions give people who are deaf or hearing-impaired access to television services by providing text on screen that allows the viewer to follow the speakers, dialogue, action, sound effects and music of a program. There was a high level of compliance with the captioning target requirements during the 2016–17 reporting period:

- > 92 out of 95 free-to-air commercial and national television broadcasting services achieved between 99.89 per cent and 99.99 per cent captioning on their primary channels (6 am to midnight), compared to the 100 per cent captioning target for this period.
- > The captioning shortfalls of seven free-to-air services—approximately 2.6 hours per service—were disregarded as they were solely caused by significant unforeseen technical or engineering difficulties. However, the shortfalls of another 85 free-to-air services—approximately 2.1 hours per service per year—could not be disregarded for these reasons. Consequently, 85 free-to-air services breached the captioning target for 2016–17.
- > The remaining three free-to-air services exceeded their reduced captioning target of 90 per cent each. These three services had target reduction orders in place for the year on the grounds of unjustifiable hardship.
- > Approximately 99.7 per cent of subscription television services (662 out of 664) met their annual captioning target requirements. During the year, captioning services were provided on 428 subscription television services (or 87 distinct subscription television channels)—as the same channels provided by different licensees are treated as different services under the captioning legislation.
- > Two subscription television services breached their captioning target because of technical issues.

Considering the circumstances of these breaches, we did not take any formal enforcement action for these matters.

Captioning exemption orders and target reduction orders

We have the power to make an exemption order or a target reduction order for a specified commercial, national or subscription television service on the grounds of unjustifiable hardship.

In 2017–18, we received one application for an exemption order and four applications for target reduction orders (see Table 3.25). We approved the application for the exemption order and one application for a target reduction order—both of which were for subscription television services. Our decision on the remaining three applications for target reduction orders, which were received in May 2018, was not finalised at 30 June 2018.

We met the statutory requirement to make a decision on each application within 90 days of receiving the application.

Table 3.25: Exemption orders and target reduction orders, 2017–18

Application type	Approved	Refused	Decision not finalised
Exemption order	1	0	0
Target reduction order	1	0	3

Online content service provider rules

During the reporting period, a new Schedule 8 to the BSA was introduced, enabling the ACMA to make online content service provider rules. The intent of the rules is to limit the provision of gambling promotional content during online live coverage of sporting events. We conducted initial consultation on draft rules in April–May 2018. The rules are expected to be finalised and in effect by the second half of 2018.



Interactive gambling safeguards

We administer the *Interactive Gambling Act 2001* (IGA), which makes it an offence to provide or advertise certain gambling services to Australians. These include online casino-style games, online slot machines and online wagering services that accept ‘in-play’ betting or are provided without a licence issued by an Australian state or territory.

Key highlights for 2017–18 include:

- > establishing an Interactive Gambling Taskforce to ensure a proactive approach to our new role—see case study on page 92
- > undertaking high-level stakeholder engagement, including with state and territory and international gambling regulators, wagering operators, and sporting and racing bodies
- > focusing on consumer education and awareness through social media campaigns
- > seeing the withdrawal from the Australian market of 10 of the most popular illegal offshore wagering sites as a result of the ACMA’s investigation and enforcement activities.

Amendments to the IGA

The *Interactive Gambling Amendment Act 2017* was passed in August 2017, with the majority of amendments coming into effect on 13 September 2017. The amendments:

- > clarified that it is illegal for gambling companies to provide certain gambling services to Australians unless they hold a licence under the law of an Australian state or territory
- > introduced a civil penalty regime—to complement the existing criminal offence provisions—to be enforced by the ACMA
- > introduced other disruption measures, such as referring company directors or principals of offending gambling companies to Australian border protection agencies for inclusion on the Movement Alert List so any travel to Australia may be disrupted
- > clarified that ‘click-to-call’ in-play betting services are prohibited and that place-based betting services are not prohibited.

The amendments also introduced a prohibition on certain wagering operators offering lines of credit to Australians or facilitating the provision of lines of credit via third parties, such as ‘payday’ lenders. These prohibitions came into effect on 17 February 2018.

The *Interactive Gambling Amendment (Lottery Betting) Act 2018* was also passed by parliament on 28 June 2018 and will commence on 9 January 2019. The amendments prohibit betting on the outcome, or any aspect, of a lottery or keno draw.

Following the amendments, we now deal with all complaints and investigations into the provision or advertising of prohibited or unlicensed regulated interactive gambling services. The number of complaints, investigations and enforcement action taken in 2017–18 is shown in Table 3.26.

Table 3.26: Interactive gambling complaints, investigations and enforcement action, 2017–18

Enquiries and complaints	Number
Enquiries and complaints received	252
Valid complaints under the IGA	93
Investigations completed	53
Investigations with breach findings	33
Investigations with non-breach findings	19
Investigations with no finding	1
Total number of breach findings	80
Providing a prohibited interactive gambling service to customers in Australia	47
Providing an unlicensed regulated interactive gambling service to customers in Australia	17
Advertising a prohibited or unlicensed regulated interactive gambling service in Australia	16
Enforcement action	
Formal warnings issued to providers	17
Notifications issued to international licensing authorities	13
URLs reported to accredited family-friendly filter providers	16

We may investigate interactive gambling matters on our own initiative or where a valid complaint is made. Of the 53 completed investigations, 25 were undertaken on our own initiative. When deciding whether to investigate a particular interactive gambling matter, our primary consideration is the public interest. A range of factors are considered, including the nature and seriousness of the matter raised, whether there appears to be a pattern of conduct and whether steps have been taken to comply with the IGA.

Register of licensed interactive wagering services

As part of our role to raise awareness of Australian gambling laws to help minimise the supply and use of illegal interactive gambling services, we publish a register of licensed interactive wagering services to be provided in Australia. At 30 June 2018, there were 131 entries on the register—41 were TABs, corporate bookmakers and betting exchanges, and 90 were on-course bookmakers.

Application of ‘in-play’ betting rules

The Interactive Gambling (Sporting Events and Excluded Wagering Services) Determination 2017, which commenced on 14 December 2017, clarified the application of the ‘in-play’ betting rules to cricket matches, golf tournaments and cycling events that take place over multiple days. Its effect is that online betting on these events is permitted from the end of play or racing on one day, to the start of play or racing the next day.



Illegal offshore wagering has a social and financial impact on Australian consumers, the wagering industry, race and sporting industries and government. Charged with strengthening enforcement, we are moving decisively to crack down on illegal operators in the Australian interactive gambling market.

Combating illegal offshore gambling

Case study

The ACMA has targeted influential players in the offshore gambling market, to raise awareness of changes to Australia's interactive gambling laws and the ACMA's role in enforcing them. By doing so, we have brought a number of illegal offshore operators into compliance by withdrawing from the Australian market.

By engaging with regulators, industry associations and third-party suppliers, we have made progress in changing international perception of Australia's online gambling market, from a 'grey' or ambiguous market, to one where laws are clear and actively enforced.

We've received valuable support from overseas gambling regulators advising their licensees about the changed regulatory landscape in Australia. They have also lent their regulatory weight to our enforcement action, leading a number of illegal offshore services to comply with our rules. Major payment processors and software providers have restricted use of their services for offshore gambling services in Australia, further ensuring compliance with the IGA.

We have also worked to establish cooperative relationships with other regulatory agencies in Australia who have a role in regulating the online gambling market. These have included state and territory regulators, key sporting and racing bodies and other federal government regulators.

We have targeted our investigation and enforcement activities to have the greatest impact on the supply of illegal gambling services to Australians. In addition to responding to complaints, we initiated investigations into prominent illegal wagering services that we identified before the IGA amendments came into force.

Our approach of targeting engagement, education and enforcement action has proved effective, with a significant number of offshore gambling operators withdrawing their services from the Australian market. Six prominent offshore wagering services withdrew before the amendments, and a further 10 have withdrawn as a result of our investigation and enforcement processes. Thirty-one prominent online gaming services have withdrawn from the Australian market either in anticipation of the IGA amendments or in response to our compliance activities.



National interest safeguards

The reliability of telecommunications customer information is critical to effective support for law enforcement and national security agencies. Agencies involved in law enforcement, national security and emergency services have special operational requirements supported by obligations on the telecommunications industry. The ACMA administers those obligations under the Telecommunications Act and liaises with both industry and law enforcement agencies.

Key highlights for 2017–18 include:

- > undertaking compliance activities to ensure the accuracy of telephone location and identity information contained in the IPND
- > working with industry and law enforcement agencies to improve the identity-checking arrangements for prepaid mobile services.

Supporting law enforcement and national security agencies

Reasonably necessary assistance

The telecommunications industry is obliged to provide reasonably necessary assistance to law enforcement and national security agencies under section 313 of the Telecommunications Act. See appendixes 6 and 7 for more information.

During the reporting period, the Communications Access Co-ordinator (CAC)—located in the Attorney-General's Department prior to 31 May 2018 and in the Department of Home Affairs from that point onward—referred no carriers or CSPs to the ACMA for enforcement action for refusing to provide an agency with reasonably necessary assistance.

Lodgement of annual interception capability plan

Under sections 196 and 197 of the *Telecommunications (Interception and Access) Act 1979* (TIA Act), carriers and nominated CSPs must lodge an interception capability plan (ICP) by 1 July each year with the CAC.⁶ The ACMA's role is to enforce this obligation.

During the reporting period, the CAC referred 36 carriers to the ACMA for enforcement action—26 in November 2017 and 10 in May 2018. Of these referrals:

- > 23 failed to submit an ICP by 1 July 2017, as required by subsection 196(1) of the TIA Act
- > 11 failed to submit an ICP within 90 days of receiving a carrier licence, as required by subsection 196(1)
- > two failed to respond to a request to amend an ICP within the response period of 30 days, as required by subsection 198(4).

We engaged with these carriers to facilitate compliance with their obligation to submit an ICP. As at 30 June 2018:

- > 23 carriers had submitted their interception capability plans to the CAC
- > two carriers had surrendered their carrier licence
- > two carriers were under administration, with their ongoing status being monitored.

We are continuing to engage with nine carriers to facilitate compliance.

⁶ Nominated CSPs are those covered by a declaration in force under subsection 197(4) of the TIA Act.

Data retention

Since 13 October 2015, carriers and service providers have also been subject to data retention obligations under Part 5-1A of the TIA Act.

During the reporting period, the CAC referred no carriers or CSPs to the ACMA for enforcement action for failing to meet their data retention obligations.

Integrated Public Number Database

The IPND is an industry-wide database of all listed and unlisted public telephone numbers.

The information in the IPND is protected from disclosure or use under Part 13 of the Telecommunications Act. However, Division 3 of Part 13 provides exceptions to that protection and enables law enforcement agencies and emergency services to access customer data from the IPND. It is critical that the data is accurate for these purposes.

IPND code

In November 2017, we registered industry code C555:2017 *Integrated Public Number Database*, which delivers on recommendations arising from DoCA's IPND review. Specifically, it:

- > addresses the quality and accuracy of IPND data through enhancing feedback processes from the IPND Manager to data providers
- > improves access arrangements for customers
- > raises awareness of the IPND with customers.

The new customer access arrangements began in May 2018.

CSP compliance with IPND requirements

CSPs have regulatory obligations to improve the quality, accuracy and completeness of IPND data.

Our compliance program seeks to improve CSP compliance with these obligations and in 2017–18, we undertook preparatory work for the fifth complete audit of IPND records. It has been nine years since the last audit and many new data providers have started uploading data to the IPND in this time.

The audit should begin in late 2018.

IPND scheme

The IPND scheme allows us to authorise access to the IPND for the purposes of conducting permitted research and publishing public number directories.

In October 2017, the Australian Bureau of Statistics was granted a research authorisation under the IPND scheme.

Identity-checking requirements for prepaid mobile phone services

The Telecommunications (Service Provider – Identity Checks for Prepaid Mobile Carriage Services) Determination 2017 requires all mobile providers to verify the identity of prepaid mobile service customers before activating their services. Verification can occur online, over the phone or in person. The regulatory arrangements for identity checks for prepaid mobile services were established to prevent the use of anonymous prepaid mobile services, so that law enforcement and national security agencies could gain accurate information and evidence about users, should they need to do so.

In 2017–18, we raised compliance issues with six CSPs. This included:

- > requesting information on the systems and processes of three CSPs for checking identity before activating a prepaid mobile service
- > making enquiries with one CSP on the activation of multiple services without the knowledge or consent of the customer (see below)
- > making enquiries with one CSP about its compliance with the requirement to verify identity before activating a prepaid mobile service
- > completing an investigation under Part 26 of the Act (see below).

Activation of multiple services

We made preliminary enquiries to determine if a mobile carrier complied with identity-checking requirements before it activated six prepaid mobile services. The services were activated over the phone with stolen identity information. Using this information, the person activating the services was able to pass as an existing customer of the provider by giving information that only an account-holder should know. The 'existing account method' is specified under the determination as a method that can be used to verify identity. As a consequence of our enquiries, the six services were cancelled.

Part 26 investigation

A November 2017 investigation found that Vodafone Hutchison Australia Pty Limited had failed to verify the identity of at least 1,028 customers before activating their prepaid mobile services. The breaches occurred between 6 January 2015 and 6 January 2016 and resulted from changes to Vodafone's IT systems, which allowed customers to self-select online that their identity had been verified in store, without any further check that this had actually occurred.

The ACMA accepted a court-enforceable undertaking from Vodafone, with the purpose of improving its processes for verifying the identity of prepaid mobile customers. Vodafone must conduct a review and risk assessment of any future proposed changes to its systems and processes, instigate training programs, conduct compliance audits every six months and report to the ACMA.

We received the first such report during 2017–18. As required, Vodafone has given us information about the online training to be provided to all employees and contractors who are directly involved in identity verification.

Emergency call service

The emergency call service is a national operator-assisted service that connects emergency callers free-of-charge to state and territory emergency service organisations (ESOs)—police, fire and ambulance. The service is provided by the following emergency call persons:

- > Telstra, for the emergency service numbers 000 and 112
- > the National Relay Service provider, Australian Communication Exchange Limited, for the emergency service number 106, used by people who are deaf or have a hearing or speech impairment and who use a teletypewriter (TTY).

Emergency Call Service Advisory Committee

We convene the Emergency Call Service Advisory Committee (ECSAC) as a formally constituted advisory committee. ECSAC provides a forum for representatives of the telecommunications industry, emergency call persons and ESOs to provide advice to the ACMA and discuss priority issues affecting the operation of the service. ECSAC met once in 2017–18 and provided advice on a range of matters. Details of ECSAC members are provided at Appendix 1.

Complaints and investigations about the Triple Zero service

During the reporting period, we received one complaint and 24 enquiries about the Triple Zero service. The complaint was about the handling of calls by an ESO (and not Telstra as the Emergency Call Person for 000 and 112) and was referred to the relevant organisation for a response.

On 7 May 2018, we began an investigation under section 510 of the Telecommunications Act into the disruption to the Triple Zero service on 4 May 2018. The investigation will continue into the early part of 2018–19.

Variation to the HLTUC Code 2017

On 21 June 2018, we approved a variation to the Handling of Life Threatening and Unwelcome Communications (HLTUC) Code 2017. The variation makes minor changes to processes for handling unwelcome communications to helplines.

Corporate support activities

This section reflects the ACMA's performance against supporting activities for key deliverables for PBS program 1.1 and 1.2, and corporate plan enabling strategies.

See also *Part 3—Management and accountability*.

Client Service Charter

The Client Service Charter outlines our goals for customer service and the broad range of services we provide. The charter provides advice on how clients can contact us, our service standards and complaints procedures, and reflects our commitment to providing efficient, effective and relevant services delivered in an environment of mutual respect. See Table 3.27 for a summary of client service complaints and compliments during the reporting period.

Table 3.27: Summary of client service complaints and compliments, 2017–18

Description	Total no. of complaints*	Total no. of compliments
Courtesy and respect	2	3
Service delivery	0	4

*Indicates total number of complaints received (not assessed against service commitments or standards in the Client Service Charter).

Customer Service Centre

Our single-point-of-contact Customer Service Centre (CSC) has streamlined processes for stakeholders interacting with the ACMA. The CSC handles an average of 3,140 interactions each month, including licensing and allocation enquiries and applications. Of these, an average of 97 per cent are resolved within three working days.

In February 2018, we contracted Woolcott Research & Engagement to conduct customer satisfaction research to evaluate the performance of the CSC. The survey was drawn from customers who had contacted the CSC in the previous three months, and found that:

- > just under half of respondents contacted the CSC about licensing (49 per cent)—these enquiries were more likely to be from organisations (62 per cent) than private citizens (42 per cent)
- > at 72 per cent, overall satisfaction levels were below last year's (80 per cent) but higher than in 2015–16 (70 per cent):
 - > those who contacted the CSC by phone had higher levels of satisfaction (82 per cent) than those using other methods (86 per cent in 2016–17)
 - > at 87 per cent, enquiries about licensing saw the highest satisfaction level (unchanged from 2016–17)
- > consistent with the 2016–17 findings, the three most important attributes for customer service this year were staff understanding their enquiry, being knowledgeable and being easy to understand on the phone.

We are using the survey results to guide opportunities to improve the services provided by the CSC.

Stakeholder survey

In 2017–18, we commissioned an external research agency to survey senior-level stakeholders on their level of engagement and satisfaction with the ACMA's performance. The results will be available in August 2018.

External stakeholder engagement

In 2017–18, our approach to media and communications continued to reflect the diverse needs of our stakeholders. We engaged with them using a range of digital platforms and marketing channels.

During the reporting period, major communications channels and activities included:

- > Online content—traffic to our website grew to over 3.5 million page views, reflecting consistent interest from consumers and industry on issues like spam, TV reception, cabling, product labelling and NBN services.
- > Consultations—we conducted over 40 public consultations and implemented improved processes to increase transparency and communicate more effectively with stakeholders.
- > Social media—we continued to engage with industry and consumer stakeholders through our Facebook, Twitter, LinkedIn and Instagram communities. Regular content focused on consumer advice and industry updates. A highlight of our social media activity was the promotion of the Emergency+ app, which led to over 10,000 downloads in a three-day period and contributed to the app reaching over one million total downloads.
- > Targeted e-bulletins and alerts—our email outreach portfolio continued to grow, with over 24,000 subscribers to our products. We sent 145 targeted e-bulletins to stakeholders.
- > Media engagement—we issued 40 media releases and disseminated information on high-profile issues to mainstream media through journalist briefings, interviews, radio grabs and subscriber distribution lists.
- > Events and tune-ups—we hosted the two-day RadComms 2017 conference, as well as several industry tune-ups focusing on spectrum planning, spectrum interference PCAs and spectrum reform.

International engagement

Our international engagement activities both protect and promote Australia's communications and media interests as reflected in the legislation we administer—particularly for spectrum management, telecommunications and radiocommunications standards-setting, unsolicited communications and online content.

In 2017–18, we hosted a number of visitors from overseas communications and regulatory agencies to facilitate collaboration and information exchange on international communications policy and regulation issues. This included delegations from the Republic of South Africa, Japan and the Republic of Korea.

Regulation reform

The ACMA has a legislative mandate and an ongoing commitment to better regulation and reducing unnecessary regulatory imposts on industry. We have responded to areas for regulatory improvement through our Better Regulatory Practice Initiative (BRPI) and Regulator Performance Framework (RPF) reporting, as well as by progressing implementation of recommendations from the ACMA Review.

We published our second full annual self-assessment under the RPF in December 2017, finding that we had met or partially met all key performance measures in the RPF.

RPF reporting informs the development of the annual program for our BRPI. In 2017–18, the BRPI built upon achievements identified in 2016–17 and focused on activities under the following categories:

- > transparency, accountability and openness
- > targeted compliance and enforcement
- > greater consistency in our consultation processes
- > expansion of our regulatory reform agenda.

To support better targeted regulation, we also continued to work closely in 2017–18 with DoCA to implement the portfolio response to the government’s ongoing regulation reform agenda. We provided advice on legislative reforms, reformed outdated regulation, and worked with industry to revise a range of industry codes and standards. These initiatives have delivered net savings of \$2.9 million in regulatory costs, while also introducing new consumer safeguards for NBN services.

Major reductions in regulatory costs were derived from:

- > revoking and remaking the Broadcasting Services (Technical Planning) Guidelines 2007
- > amending the Radiocommunications Labelling Notice (RLN) and Electromagnetic Energy (EME) Labelling Notice
- > abolishing broadcasting licence fees and datacasting charges and associated revenue assurance requirements as part of Broadcasting Legislation Amendment (Broadcasting Reform) Bill 2017.

In response to a direction from the minister, we made new regulatory instruments comprising:

- > Telecommunications (NBN Consumer Information) Industry Standard 2018
- > Telecommunications (NBN Continuity of Service) Industry Standard 2018
- > Telecommunications (Consumer Complaints Handling) Industry Standard.

These instruments are intended to improve the experience of consumers moving services to the NBN including by ensuring they are not left without a functioning service for extended periods and by setting minimum complaints-handling standards across industry.

The instruments are buttressed by the Telecommunications (Consumer Complaints) Record-Keeping Rules 2018.

At the end of the reporting period, a fifth instrument, the Telecommunications Service Provider (NBN Service Migration) Determination 2018 was in development but had not been finalised.

In implementing these regulation reform measures, our decision-making was undertaken in the context of our statutory obligations, and on the basis of a comprehensive risk assessment examining the impact of any proposed changes.

Sunsetting

During 2017–18, we continued the extensive and detailed work that flows from the ‘sunsetting’ regime in the *Legislation Act 2003* (LA). Under the sunsetting provisions of the LA, most of the legislative instruments made by Commonwealth agencies such as the ACMA ‘sunset’ (that is, are automatically repealed) 10 years after they are first registered as law.

In the reporting period, 18 instruments were subject to the sunsetting regime. Of those, four instruments were automatically repealed, and we revoked and replaced 14 instruments prior to the instrument’s sunset date.

Directions and legislative instruments

Section 57 of the ACMA Act requires copies of certain directions and instruments to be included in the ACMA’s annual report, including directions given to us under section 14 of the ACMA Act, and directions given by us to a carrier or carriage service provider under section 581 of the Telecommunications Act during the financial year.

Additionally, section 67 of the ACMA Act requires us to maintain a register of all directions given to us under that Act or any other Act. The register is published on our website at acma.gov.au/theACMA/ministerial-directions.

Between 1 July 2017 and 30 June 2018, the ACMA was not given a direction under section 14 of the ACMA Act.

The ACMA did not give any directions during the financial year under section 581 of the Telecommunications Act.

Business system improvements

The reporting period saw the continued rollout of major business transformation projects. These included:

- > High frequency direction finding (HF DF) network—the ACMA has obtained access to the Defence High Frequency Communications System, which was developed in conjunction with the Department of Defence and the Capability Acquisition and Sustainment Group. Access to the system will provide us with the capability to identify and resolve sources of harmful interference to Australian HF band users, including the aviation, broadcasting, and transport sectors, the emergency services, Defence and Australians living or working in regional and remote areas.
- > ICT service delivery enhancements—achievements included the ongoing development of the ACMA’s infrastructure and architecture to improve the cost, reliability and agility of systems:
 - > Implementing several new systems to help proactively monitor our ICT systems, with a major focus on cybersecurity to ensure we are compliant with the *Top 4 Strategies to Mitigate Cyber Security Incidents*.
 - > Continuing the pilot of a mobile desktop platform, based on a hardened Windows 10 standard operating environment (SOE), incorporating measures to address government cybersecurity mitigation strategies. Full Agency deployment will be completed in the next financial year.

- > Upgrading our desktop phone fleet to meet the agency's security needs. The old phone fleet did not support the new certificate requirements (SHA-2) mandated by the Information Security Manual (ISM).
- > Refreshing our videoconference facilities to provide high-quality video collaboration that integrates with existing ICT resources.
- > Decommissioning legacy systems, resulting in reduced agency costs, including the number of support contracts, licensing and the amount of maintenance.

Refer to Part 2—*Office of the eSafety Commissioner annual report 2017–18* for details of the Office's information management activities.

researchacma

The **researchacma** program provides an evidence base to help inform our regulatory decision-making and understand the implications of market trends, evolving communications and content use, and changes in consumer and community attitudes that have implications for the effectiveness of regulation.

The structure of the 2017–18 research program was informed by the ACMA Review final report, which recommended a realignment of the ACMA's remit to span four broad interconnected layers of the communications sectors—applications/content, devices, transport and infrastructure layers.

In 2017–18, the program had five focus areas that informed individual projects:

- > market developments
- > social and economic participation
- > media content and culture
- > citizen and consumer safeguards
- > regulatory best practice and development.

We released three individual research reports and two snapshots as part of the 2017–18 **researchacma** program.

Market developments

We undertook a range of research to continue our work supporting spectrum initiatives; in particular, the implementation of spectrum reforms.

International best practice for spectrum management (August 2017)

The ACMA commissioned Analysys Mason to conduct research on international best practice for spectrum management and its implications for improving spectrum management in Australia. This research formed an evidence base for the ACMA as we prepared to implement the recommendations of the Spectrum Review.

In addition, we undertook research to inform spectrum pricing and licensing arrangements and used evidence to inform our understanding of best-practice auction methods and to assess the highest value use for the 3.6 GHz band.

Media content and culture

We undertook research to help inform our obligations to reflect community standards in the delivery of media and communications services.

Kids' TV viewing and multi-screen behaviour (August 2017)

The report presented key findings from an analysis of children's programming and audience data in metropolitan areas from 2005–16, highlighting changes in kids' viewing habits over a decade. The research showed that broadcast TV viewing remains an important part of how Australian kids and families access children's programming, and that while kids are spending less time watching live broadcast TV, they are still watching programs specifically made for them.

In addition, we conducted research to test web crawler methodology as a potential tool for measuring influence in the supply of news online, and also to qualitatively explore consumer attitudes, behaviours and preferences for regional local content.

Communications report 2016–17 (December 2017)

Tabled in parliament on 8 December 2017, the *Communications report 2016–17* fulfils the ACMA's statutory reporting requirements under section 105 of the Telecommunications Act to report to the minister on significant matters relating to the performance of carriers and CSPs, including consumer satisfaction, consumer benefits and quality of service.

Social and economic participation

We undertook research to identify regulatory settings and interventions that help Australians participate in the offline and online environment.

A comparative international study on best practice in contemporary unsolicited communications regulatory regimes was conducted to inform our compliance and enforcement activity under various unsolicited communications legislation and help to form a view on what constitutes regulatory success. This research will be published later in 2018.

We also conducted consumer research to qualitatively and quantitatively explore knowledge, attitudes and behaviours related to unsolicited calls, and to measure the incidence and frequency of various types of unsolicited calls. This research will be published later in 2018.

Citizen and consumer safeguards

This research focus area continues our evidence-informed approach to understanding safeguards relevant to business, citizens and consumers in an information economy and networked society.

Triple Zero by the numbers (February 2018)

We undertook research in July 2017 to better understand how, when and why people call emergency services. The findings revealed that while mobile phones are the most common device used to call Triple Zero, fewer than one in five Australians know about the emergency+ app, which enables emergency services to quickly locate a caller in an emergency.

NBN consumer experience research

This research explored the experience of consumers before, during and after migration to the NBN. The survey of residential households was conducted from 13 November to 20 December 2017, and the survey of small and medium-sized businesses from 24 January to 23 February 2018.

Early research insights into the NBN consumer experience from the survey of residential households were published in March 2018—*NBN consumer experience: residential research snapshot* (March 2018). A full report on the NBN consumer experience including findings from the residential and small and medium-sized business surveys will be released early in the next reporting period.

In addition, research was conducted to further understand the use of offshore gambling sites in the context of the amendments to the IGA, and the 2018 ACMA Annual Consumer survey was conducted to track changes in communications and media use in Australia.

Regulatory best practice and development

In this research area, we continued our analysis of the effectiveness, and costs and benefits, of current regulation, and identified emerging issues and problems that may require regulatory or non-regulatory solutions. We undertook internal research and analysis and continued to engage with how risk informs regulatory practice to further the effectiveness of our activities as a regulator.

In response to evolving organisational strategic priorities, research was also commissioned from the Andrews Group on international unsolicited communications regulatory practices to inform the ACMA's report to the minister on the potential for self-regulation of unsolicited communications—spam, telemarketing and the DNCR—and the IPND.

The background of the entire page is a dark purple color with a complex, light-colored network pattern. This pattern consists of numerous small, interconnected nodes and lines, resembling a digital or social network. The nodes are represented by small circles, and the lines are thin, connecting these nodes in a dense, web-like structure. The overall effect is a textured, digital aesthetic.

Part 2

Office of the eSafety Commissioner

annual report 2017–18

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This report is available on the Office of the eSafety Commissioner website at www.esafety.gov.au/about-the-office/corporate-reporting

Enquiries about this report can be emailed to the Business Manager, enquiries@esafety.gov.au.

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Office of the
eSafety Commissioner

10 September 2018

Senator the Hon Mitch Fifield
Minister for Communications and the Arts
Parliament House
CANBERRA ACT 2600

Dear Minister

In accordance with section 66 of the *Enhancing Online Safety Act 2015*, I am pleased to present the annual report of the activities I and my office have undertaken in the 2017–18 reporting year.

Yours sincerely,

A handwritten signature in black ink that reads "Julie Inman Grant".

Julie Inman Grant
Commissioner

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Chapter 4

The year in review

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Chapter 4 includes the review by the Commissioner detailing significant issues and developments, as well as a snapshot of the year.



Commissioner's foreword

This year, my Office has continued to fulfil its challenging and broad remit: to lead, coordinate and advise on online safety issues to ensure all Australians have safer and more positive experiences online.

Both technology and teens are moving quickly, and I have focused on building an eSafety team and culture that strives to keep pace, be nimble, innovate and deliver compassionate citizen services. As a 'techno-optimist', I can see the great promise artificial intelligence, machine learning, augmented reality, neural networks and other advances in technology can bring to society. But, we also need to anticipate and mitigate the risks these technologies might pose to our citizens and re-think how we regulate, collaborate and educate for better online safety outcomes for all Australians.

There is no question that the range of online safety abuses and risks we are addressing every day represent some of the most pressing societal and parenting challenges of our time. However, I do not believe these challenges are insurmountable. They fundamentally represent social and behavioural issues playing out online. This is why we need to take a long term, constructive and public health approach to making lasting cultural and behavioural change across the nation. As the only government agency in the world dedicated to safeguarding the online safety of its citizens, I am proud that Australia is leading the way by forming and supporting a consolidated eSafety Office. We are keen to help other countries do the same and have been sharing our approach and lessons with interested parties in the US, Korea, Singapore, Canada, Ireland and the UK.

The Office takes a holistic approach to improving online safety, anchored by a range of prevention strategies including research, evaluation, education, and awareness campaigns. We provide responsive reporting services for those experiencing youth-based cyberbullying, adult cyber abuse, image-based abuse and for reporting illegal online content, especially child sexual abuse material. Being a relatively small agency with an expansive remit, we have built and nurtured a range of partnerships and stakeholder forums—including the Online Safety Consultative Working Group and the eSafety & Mental Health Steering Group—to ensure that we can effectively coordinate and complement the work of others. We have also worked hard to raise awareness and drive more Australians to our website—the gateway to our resources, guidance and reporting services. We were extremely proud to have brought 240 other organisations along with us on Safer Internet Day in 2018, collectively reaching 15 million Australians with the important message of demonstrating respect online.

Based on our research and our interaction with victims, we have been alarmed to see how quickly the malicious practice of image-based abuse is proliferating. One in 10 Australians aged 18 years and over have had their intimate images shared online without their consent. For more vulnerable cohorts, the risk of this abuse increases significantly—a staggering one in four women between the ages of 18–24 are affected, one in three members of the LGBTIQ community are impacted and for Indigenous Australians or Australians with a disability, one out of two are likely to fall prey to this insidious practice. Regardless of one's background, image-based abuse is devastating. Not only is it a callous act of betrayal, it causes long-term trauma due to the victim never really knowing how far the image has spread, who has seen it and where and when it may reappear online.

In October 2017, eSafety launched an image-based abuse portal that provides reporting options, support and resources to Australians who have experienced image-based abuse, as well as their families, friends and bystanders. Between October and June 2018, eSafety received 259 reports of image-based abuse. Each case is unique and complex, and our team of passionate, committed investigators works diligently to provide efficient, compassionate service to each person seeking assistance. Despite the material usually being hosted overseas, our Image-based Abuse Team has succeeded in having material removed in around 80 per cent of cases where removal was requested.

Key to our success in resolving these matters is our ongoing ability to work closely with our social media partners and other online platforms to ensure the rapid removal of offending material. This year we built on our success in this regard through the Cyberbullying Complaints Scheme, welcoming three new social media services to become Tier 1 partners in the fight against cyberbullying: Musical.ly, Yubo and Roblox. These services are incredibly popular with young Australians, and we are pleased they have shown their commitment to improving the safety of their users by engaging proactively with eSafety.

Indeed, one of eSafety's core commitments remains the protection of young Australians, providing a safety net for children who experience serious cyberbullying. We know cyberbullying has a nexus to conflict in the schoolyard, but it is particularly insidious for young people as it is highly visible to their peers whilst often hidden from parents and educators. This year our dedicated cyberbullying team received 409 complaints about serious cyberbullying affecting Australian children. This early intervention in helping to get damaging content removed from social media sites is an important first step. Our team, if required, will also work with the students, parents and school community to help minimise the risk of the conflict continuing.

The third arm of our investigative division is our CyberReport team, which is committed to disrupt the distribution and availability of online child sexual abuse material. The CyberReport team receives reports from the public and law enforcement and investigates the worst of the worst online content, referring it for takedown through our global network of partner organisations, including through the International Association of Internet Hotlines (INHOPE). This year, the CyberReport team finalised 13,131 investigations. Of these investigations, 10,229 items of prohibited or potentially prohibited content were identified, with 78 per cent meeting the definition of child sexual abuse material.

The work that the CyberReport team does is confronting but so critical to preserving human dignity, as we know that behind every image is a child being sexually abused. Child sexual abuse victims are traumatised by the knowledge that content memorialising their abuse remains in circulation on the internet. The work that we do through our INHOPE partners results in content being taken down in a matter of days, ending the cycle of re-victimisation. The team also works closely with law enforcement, both domestically and internationally, referring valuable intelligence to support their important work.

In addition to providing a safety net for Australians to report online abuse, we know that proactive, preventative measures are crucial to creating long-term positive change in the online world. This year we continued to develop and deliver world-leading, evidence-based resources and tools to enhance the online safety of our citizens. This includes audience-specific content for parents, educators, young people, older Australians, women and other vulnerable citizens who are experiencing technology-facilitated abuse.

One in four Australian women has experienced emotional abuse from a former or current partner, and one in six has experienced physical violence. In 98 per cent of domestic and family violence situations, technology-facilitated abuse is an extension of this real-world violence, where predators will use technology to abuse, seek to control and stalk.

eSafetyWomen empowers women to manage technology risks and abuse and take control of their online experiences through awareness raising, training for frontline domestic violence workers, and advice and resources for women to help stay safe online in the context of family and domestic violence situations. This year we've trained more than 3,000 frontline workers face-to-face and will upskill many more through our innovative online training program.

Our outreach program extends the focus of prevention through education, meeting broader community needs by providing nationally coordinated online safety education through various delivery platforms and resources. Our outreach work supports an extensive education program for school students, pre-service teachers, educators, parents, carers, community organisations, sporting groups, law enforcement, welfare agencies and mental health and youth workers.

We are able to scale our efforts in this regard and reach a wider audience by delivering interactive webinars, such as our Virtual Classrooms program, which reached over 140,000 students and teachers across the country in the past year, exploring the latest issues young people are dealing with and how best to manage the risks.

Our education resources—indeed all of the programs and resources developed by eSafety—are firmly evidence-based. Through our comprehensive research program, we continue to play a leadership role in promoting, coordinating and undertaking research into digital participation and online safety issues. This year we released ground-breaking research across a range of topics, including image-based abuse, sexting behaviours amongst young people, online gaming and the digital behaviour of older Australians.

Older Australians are the least represented population online in Australia, but they can also be among the most trusting and vulnerable. Recognising the digital literacy needs of older Australians, in November 2017 eSafety launched the Be Connected website, providing resources to help older Australians increase their digital know-how, feel more confident and know how to stay safe online.

All Australians deserve to feel safe and empowered to enjoy the positive benefits of the online world, while confidently managing and mitigating the risks.

We're proud of what we've achieved in this regard over the past year, but we know there is always more to be done. We stand ready to face the challenges and embrace the opportunities inherent in the rapidly evolving online world. We will continue to innovate and go the extra mile to ensure we deliver the best possible services and resources to improve the online safety of all Australians.



Julie Inman Grant
eSafety Commissioner

Our year at a glance

Combating cyberbullying



We received:

409 COMPLAINTS

about serious cyberbullying targeting Australian children

We referred over:

2,500 PEOPLE

to the Kids Helpline website

Promoting online safety



We had over:

779,000 WEBSITE VISITORS

and more than:

3 million PAGE VIEWS

Providing online safety education



We had over:

140,000 PARTICIPANTS

through our eSafety Outreach program

We reached over:

10,000 SUBSCRIBERS A MONTH

to our *Cyberzine* e-newsletter

Tackling image-based abuse



We introduced:

AN IMAGE-BASED ABUSE (IBA) PORTAL

to support Australians who had intimate images or videos shared without consent

We were successful in having:

80% OF CASES OF IBA MATERIAL REMOVED

on request

Fighting illegal content



We finalised:

13,131 INVESTIGATIONS

We identified:

10,299 ITEMS

as prohibited/potentially prohibited content, of which

78% met the definition of child sexual abuse material

Supporting older Australians



We had over:

51,000 VISITORS

to the *Digital literacy for older Australians* learning portal, with more than:

90,000 TRAINING SESSIONS

and over:

600,000 PAGE VIEWS

Empowering Australian women



We had over:

51,000 VISITORS

to the *eSafety Women website*, with more than:

74,000 PAGE VIEWS

We held:

172 WORKSHOPS

with over **3,000** participants

Chapter 5

Overview

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Structure 118

Chapter 5 details the role, functions and organisational structure that enable the Office to deliver its services.

Functions and responsibilities

The functions of the Office are set out in section 15 of the *Enhancing Online Safety Act 2015* (EOS Act) and accompanying legislative rules.

The Office is a national leader on issues of online safety and is responsible for promoting and supporting measures to improve online safety for all Australians. The Office works with industry, government and not-for-profit organisations to provide innovative, scalable and sustainable online safety resources for children, parents, teachers and the wider community.

In accordance with the legislation, the Office's specific responsibilities include:

- > administering a cyberbullying complaints scheme for serious cyberbullying material that targets an Australian child
- > administering the Online Content Scheme for the removal of prohibited or potential prohibited internet content, in accordance with schedules 5 and 7 to the *Broadcasting Services Act 1992* (BSA)
- > coordinating activities of Commonwealth departments, authorities and agencies relating to online safety for children
- > supporting, encouraging, conducting, accrediting and evaluating educational, promotional and community awareness programs that are relevant to online safety
- > supporting, encouraging, conducting and evaluating research about online safety
- > advising the Minister for Communications and the Arts about online safety
- > promoting online safety for people at risk of family or domestic violence including the risks of using technology
- > supporting, encouraging and conducting educational, promotional, training and community awareness programs that are relevant to online safety for people at risk of family or domestic violence
- > making, on behalf of the Commonwealth, grants of financial assistance in relation to online safety for people at risk of family or domestic violence.

Structure

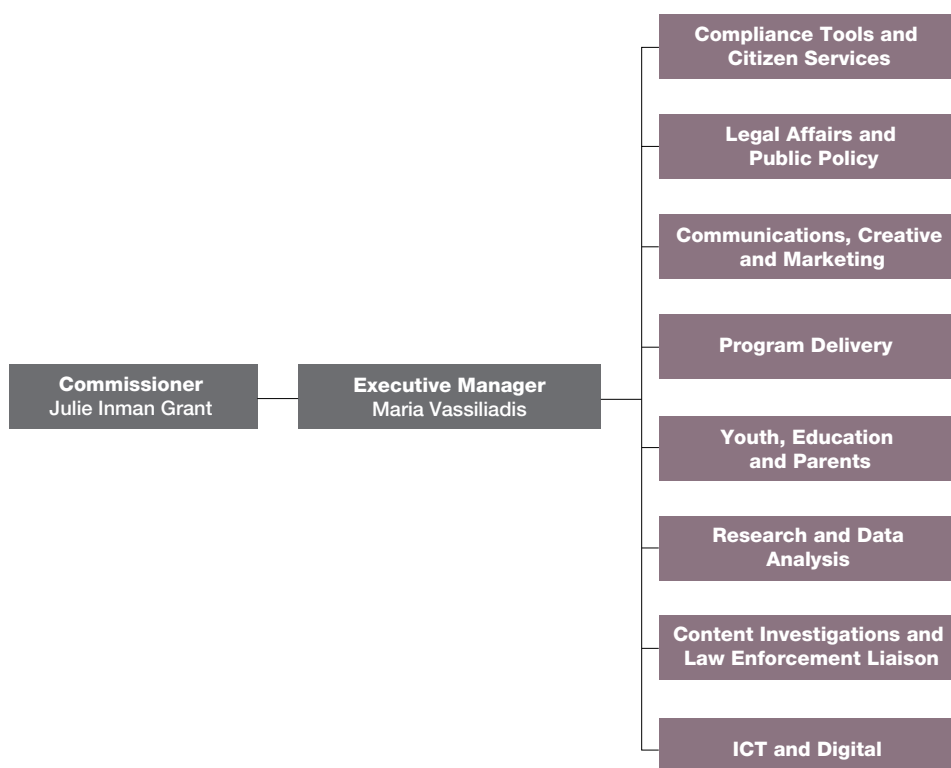
Corporate structure

The EOS Act establishes the eSafety Commissioner as an independent statutory office holder, supported by the Australian Communications and Media Authority. It began operating on 1 July 2015 as the Office of the Children’s eSafety Commissioner and on 23 June 2017 changed to its current title.

The ACMA provides corporate support services to the Office and also provides staff to fulfil the functions of the Office under section 67 of the EOS Act. These staff are not under the direction of the ACMA; however, they are employed under the terms of the ACMA’s Enterprise Agreement.

In 2017–18, the Office was staffed by the Commissioner, 45 ACMA staff and a range of contractors. Staff were located in the ACMA’s Sydney, Melbourne and Canberra offices.

Figure 5.1: Office of the eSafety Commissioner corporate structure, 30 June 2018





The Commissioner

Julie Inman Grant was appointed as Children's eSafety Commissioner on 23 November 2016 and she began in the role in January 2017.

Ms Inman Grant began her career in Washington, DC, working in the US Congress and the non-profit sector before taking on a role at Microsoft. Her experience at Microsoft spanned 17 years, serving as one of the company's first and longest-standing government relations professionals, and ultimately in the role of Global Safety Director for safety policy and outreach.

At Twitter, Ms Inman Grant headed up Public Policy for Australia and South-east Asia, managing a range of public policy issues, including online safety and countering violent extremism. She also built Twitter's 'Rules and Tools' for safety, and conceptualised and piloted #PositionofStrength, which serves as Twitter's global female safety and empowerment program.

Ms Inman Grant also served as Director of Government Relations Asia-Pacific at Adobe, where she worked with governments across the region on issues such as innovation and digital transformation, creativity and STEM skills development, and cybersecurity.

Before starting as the eSafety Commissioner, Ms Inman Grant was a member of the Online Safety Consultative Working Group and has worked with Australian law enforcement to roll out programs like ThinkUKnow, the Child Exploitation Tracking System (CETS) and Computer-Facilitated Crimes against Children training.

Chapter 6

Report on performance

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Chapter 6 sets out the Office's performance for Outcome 1: *A communications and media environment that balances the needs of industry and the Australian community through regulation, education and advice.*

This section contains detailed analysis and results for the Office's performance against key deliverables in Outcome 1, Program 1.3:

Support positive online experiences through national leadership and administration of statutory schemes and educational and awareness activities that promote online safety for all Australians.



Citizen services

Cyberbullying

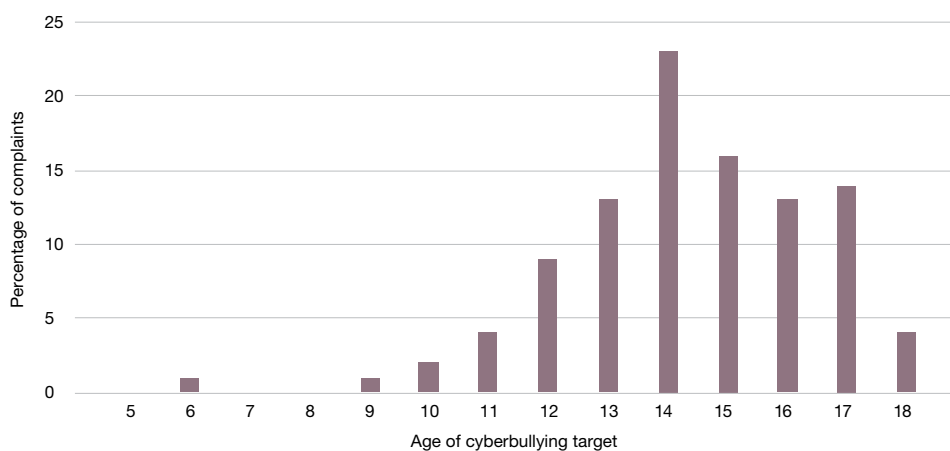
The cyberbullying complaints scheme allows the reporting of activity that targets Australian children and is likely to seriously threaten, humiliate, harass or intimidate. It also encompasses:

- > formal cooperation with key social media services as part of the Office's social media service tier scheme
- > referrals to key support services, including Kids Helpline
- > memorandums of understanding (MoUs) with state education departments, and the independent and Catholic schools sectors
- > a range of educational and informative resources to support young people and their carers in dealing with the effects of cyberbullying.

Complaints scheme data

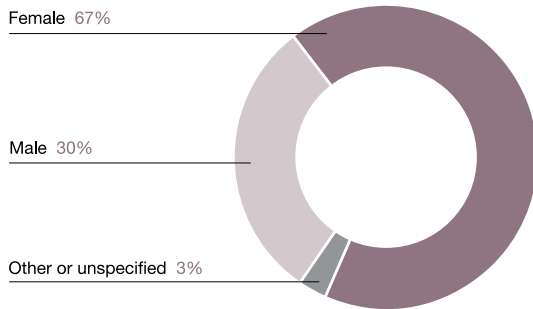
The Office received 409 complaints about cyberbullying between 1 July 2017 and 30 June 2018, an increase of 34 per cent from 2016–17. Over 95 per cent of complaints received were actioned within 48 hours and over 75 per cent of complaints were finalised within five working days. Young Australians aged between 13 and 17 were the primary targets of reported cyberbullying material, accounting for approximately 79 per cent of the complaints received (see Figure 6.1).

Figure 6.1: Target of cyberbullying material by age, 2017–18



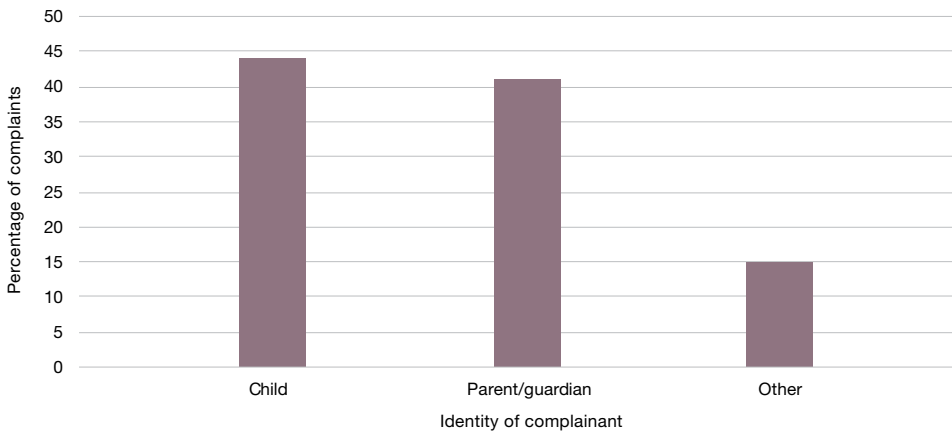
Of the complaints received, 67 per cent related to cyberbullying material targeting females (see Figure 6.2).

Figure 6.2: Target of cyberbullying material by gender, 2017–18



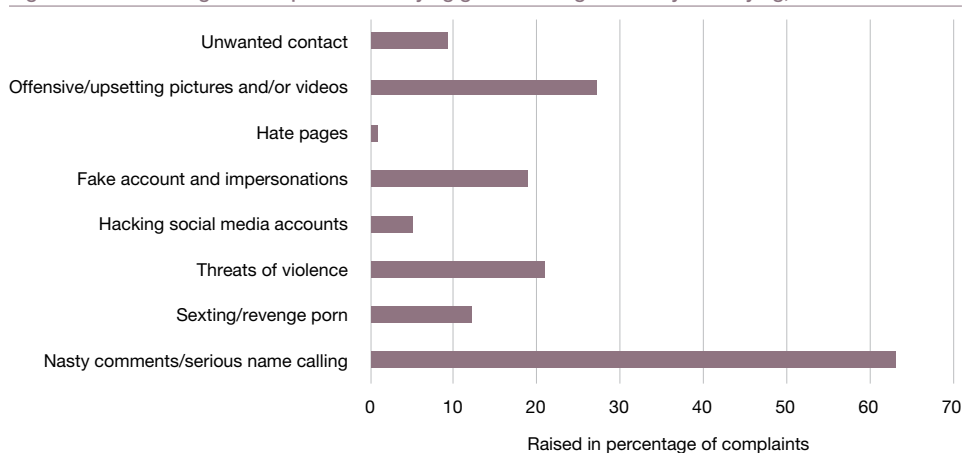
The majority of cyberbullying complaints to the Office in 2017–18 were made by children (see Figure 6.3).

Figure 6.3: Identity of complainant, 2017–18



The cyberbullying material referred to in these complaints can be broken into eight general categories. A complaint may relate to one or more of these categories. Figure 6.4 details the percentage of complaints that relate to each of the categories.

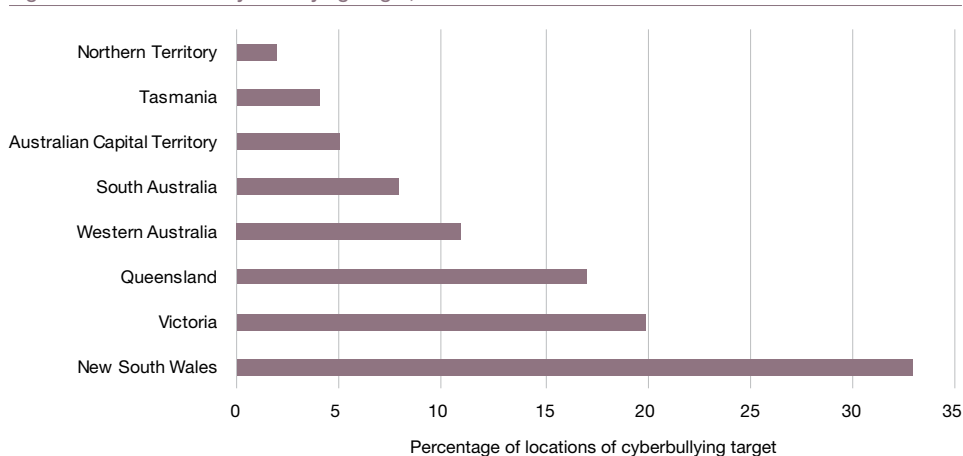
Figure 6.4: Percentage of complaints identifying general categories of cyberbullying, 2017–18



Note: A complaint may have multiple categories, so cumulative figures will exceed 100 per cent.

The Office received complaints from across Australia, with the number of complaints from each state and territory generally proportionate to their populations (see Figure 6.5). Just over half (53 per cent) of complaints originated from New South Wales and Victoria.

Figure 6.5: Location of cyberbullying target, 2017–18



Tier scheme social media partners

The Act provides a two-tiered scheme for the fast removal from social media services of cyberbullying material targeted at an Australian child. Tier 1 social media services participate in the scheme on a voluntary basis, whereas the minister declares a social media service to be a Tier 2 service following a recommendation from the Commissioner. During 2017–18, three Tier 1 social media services—Musical.ly, Roblox and Yubo—joined the scheme and no Tier 2 services were declared.

The Office recognises Tier 1 and Tier 2 social media services for the online safety measures they have in place, including:

- > terms of use that prohibit cyberbullying material
- > a complaints mechanism that facilitates the removal of cyberbullying material
- > a nominated person to work with the Office in dealing with complaints about cyberbullying.

The Office works closely with social media services and relevant electronic service providers to quickly remove cyberbullying material. Throughout the reporting period, the Office worked collaboratively with social media services to see cyberbullying material removed from these platforms, often in less than a day.

Referrals to key support services

The Office aims to resolve cyberbullying complaints in a holistic and empowering manner. Most complainants are directed to support services, such as Kids Helpline, Parentline and eHeadspace. The Office's website provides a variety of practical resources, including clear instructions on how to block, delete and report unwanted material on popular social media services.

During the reporting period, there were also over 2,500 website click-throughs from the Office's website to the Kids Helpline website.

Where appropriate, the Office works with the relevant school to resolve a complaint, ensure cyberbullying policies are followed, and provide advice and training. Between 1 July 2017 and 30 June 2018, 23 complaints were brought to the attention of schools.

Cyber abuse

In June 2017, with the expansion of the Office's role to promote online safety for all Australians, the Office also started providing general guidance and support for adults who are dealing with cyber abuse. In 2017–18, the Office received requests for assistance from 313 adults. The majority of complainants were women and many related to the same cyberbullying behaviours on the same social media platforms that have been reported by children. While the Office does not have the same powers to investigate cyber abuse as we do for cyberbullying, the Office has been able to provide complainants with guidance, assistance and referrals to support services.

Image-based abuse

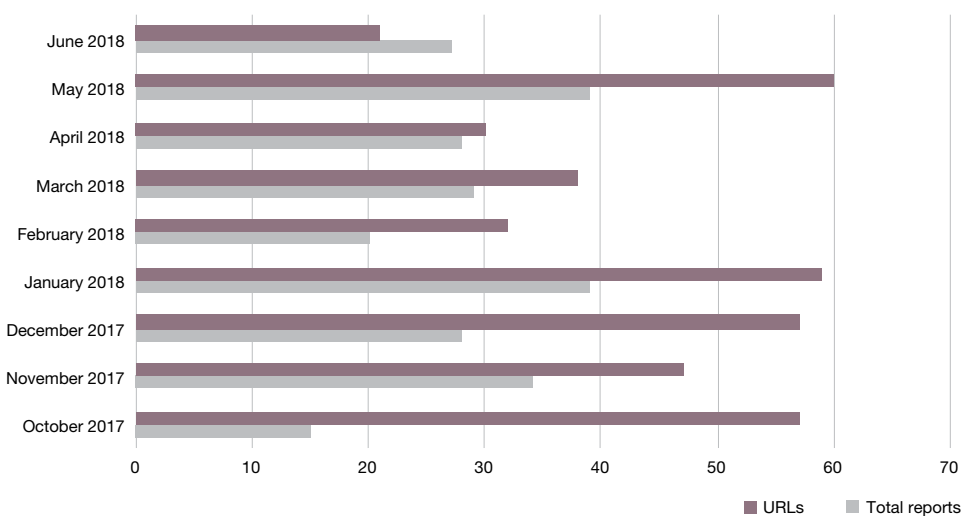
The Office is taking the lead on tackling image-based abuse (IBA) in Australia.

In mid-October 2017, an IBA portal was introduced to give tangible support to Australians who have had intimate images or video shared without their consent. Research conducted by the Office indicates that one in 10 Australians has been a victim of IBA.

The portal is a place where Australians can report IBA to seek its removal, and access practical advice and resources to help manage the impact.

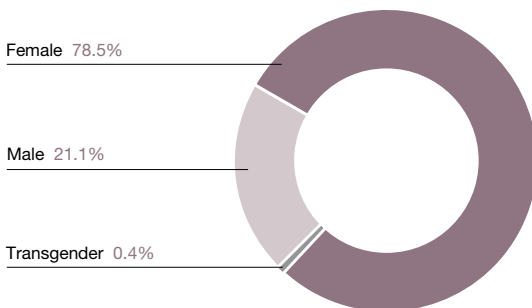
Between 17 October 2017 and 30 June 2018, the Office received 259 reports of IBA (see Figure 6.6). These reports related to 401 separate URLs and/or locations where the IBA material was available across 130 different platforms. 125 enquiries were also received about IBA.

Figure 6.6: Number of IBA reports and URLs, 2017–18



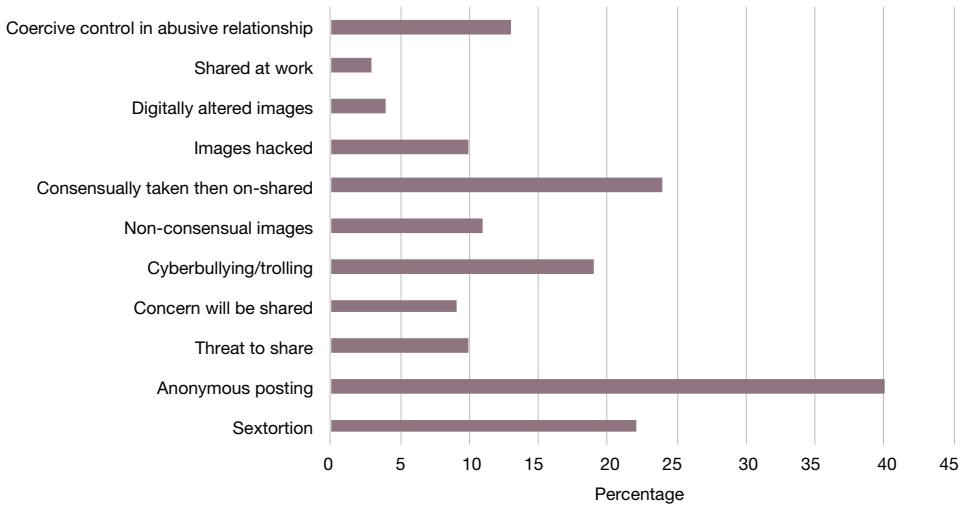
Of the reports received, victims were predominately female (78.5 per cent)—see Figure 6.7.

Figure 6.7: Gender of reported IBA targets, 2017–18



Some of the behavioural trends observed from the reports received, summarised in Figure 6.8, include anonymous posting of images, and images that were consensually taken and then on-shared.

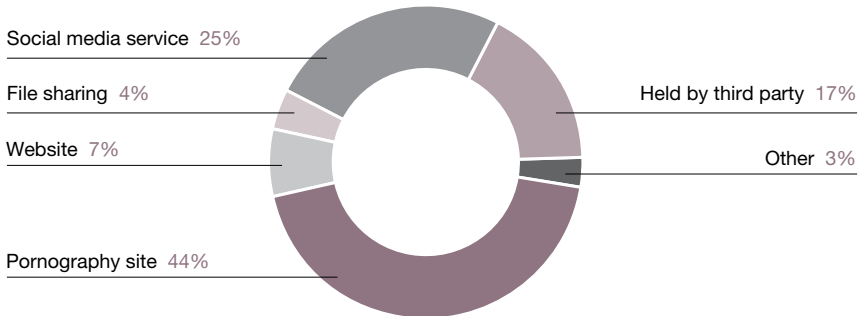
Figure 6.8: Percentage of reports by issue, 2017–18



Note: A report may have multiple issues, so cumulative figures will exceed 100 per cent.

The main distribution platforms for IBA material reported to the Office were pornography sites (44 per cent) and social media services (25 per cent)—see Figure 6.9.

Figure 6.9: Percentage of reports by platform, 2017–18



The Office has been successful in having IBA material removed in 80 per cent of cases where removal has been requested, despite the material being hosted overseas.

CyberReport

CyberReport is the section of the Office responsible for overseeing the operation of the Online Content Scheme established under schedules 5 and 7 of the BSA. The section prioritises reports about online child sexual abuse material (CSAM) and works closely with law enforcement and other bodies here and overseas to achieve the rapid takedown of such material.

Online Content Scheme

The scheme is a reporting mechanism for Australians to complain about offensive and illegal online content. CyberReport investigates these reports and acts on material found to be 'prohibited or potential prohibited'. These categories are defined in terms of classification guidelines that also apply to offline content such as film and video. They include:

- > offensive depictions of children, such as child sexual abuse content
- > content advocating terrorism
- > instruction, incitement or promotion of crime or violence
- > sexually explicit content.

Responsibilities under the scheme include:

- > investigating complaints made under schedules 5 and 7 to the BSA into potentially offensive or illegal online content
- > directing take-down of prohibited content if it is hosted in Australia
- > notifying all potentially illegal Australian-hosted content to law enforcement
- > notifying all overseas-hosted CSAM to the Australian Federal Police (AFP) or International Association of Internet Hotlines (INHOPE), for rapid police action and take-down in the host country
- > notifying prohibited URLs to optional end-user filters.

Online content complaints data

The Office focuses on reports of online CSAM and is a longstanding member of the INHOPE network, whose member hotlines work together with the goal of identifying and removing online child sexual abuse content worldwide. See *The INHOPE network* on page 128 for more information.

The Office received 12,283 complaints in the reporting period, an increase of 54 per cent on 2016–17.

A single complaint may lead to multiple investigations, depending on its nature and content. During 2017–18, the Office finalised investigations into 13,131 individual items of content. Of these investigations, 10,229 items of prohibited and potential prohibited content were identified (see Table 6.1), of which 78 per cent met the definition of child sexual abuse content.

None of these items were found to be hosted in Australia, and so no take-down notices were issued to an Australian content hosts during the reporting period.

Over 99 per cent of investigations into CSAM items were completed within two business days and notified to the AFP and/or the INHOPE network. Over 90 per cent of all online content complaints received were actioned within two business days. Over 99 per cent of all investigations about online content were completed within 20 business days.

All overseas-hosted prohibited and potential prohibited items of internet content were referred to vendors of optional end-user internet software filters under Schedule 5 of the BSA and relevant internet codes of practice.

Under the BSA, prohibited content is defined with reference to the classification categories set out in the National Classification Scheme. Table 6.1 shows the breakdown by content type of online content items actioned as a result of completed investigations in which prohibited or potential prohibited content was located.

Table 6.1: Prohibited/potential prohibited internet content 2017–18, items actioned

Actual or likely classification and description of online content	Online content hosted in or provided from Australia (take-down, service-cessation or link-deletion notice issued, or removed after referral to police)	Internet content items hosted overseas (referred to makers of filters)
MA 15+ (Strong-impact content)	0	0
R 18+ (High-impact content)	0	328
X 18+ (Explicit sexual content)	0	1,347
RC 1(a) (Refused Classification content for a range of matters, including offending against standards of morality and decency and revolting and abhorrent phenomena)	0	501
RC 1(b) (Refused Classification content for offensive depictions/descriptions of children)	0	8,043
RC 1(c) (Refused Classification content for instruction, incitement or promotion of crime or violence)	0	9
RC9A (Refused Classification for publications, films and computer games that advocate terrorist acts)	0	1
Restricted Cat 1—Publication (Explicit nudity and high-end content)	0	0
Restricted Cat 2—Publication (Explicit sex, fetishes and high-end content)	0	0
Total	0	10,229

The INHOPE network

Membership of INHOPE is key to ensuring illegal child sexual abuse content is actioned quickly and effectively for removal. Comprising 48 hotlines from countries around the world, INHOPE has a unique role in global efforts to eradicate online CSAM. Content referred to an INHOPE hotline is passed on to local police or service providers for follow-up action. In the vast majority of cases, content is removed in fewer than three days.

The Office is an active member of the INHOPE network, contributing 7,736 reports through the network in 2017–18.



Promoting online safety

The Office's website—www.esafety.gov.au—is the online destination that provides information, links and forms for all the Office's functions. This includes audience specific content and resources, information on outreach programs, research and links to BeConnected and eSafetyWomen. The website also provides a place to report serious cyberbullying, image-based abuse and illegal online content.

During 2017–18, the website received 779,271 visitors, with 3,114,717 pages of content viewed.

Online safety resources

During 2017–18, the Office expanded its online safety channels and resources to include:

- > The Young and eSafe (YeS) platform—a youth-focused web platform organised under the five key themes of resilience, respect, empathy, responsibility and critical thinking, and designed to empower young people to take positive control of their online experiences. Practical advice and videos are accompanied by classroom lesson plans. One of the short videos, *I get back up*, won a Horizon Interactive Awards gold medal, recognising 'excellence in multimedia production'.
- > Social media content and regular blog posts from the Office's Youth Advisor on topics of direct relevance to young people—including how to protect your privacy, help a friend who is being cyberbullied and change your digital reputation.
- > Act eSafe, an animation for children aged eight to 11 focusing on e-security issues and the safe and ethical use of technology.
- > Screen Smart Parent Tour, a 10-minute interactive tool for parents of children aged 10 to 14, to start them thinking about online safety issues and equip them to guide their children towards safe experiences.
- > New parent education materials covering sexting and online gaming and gambling, along with advice on understanding risks, building resilience, and initiating conversations with children on these and other online safety topics.
- > Regular blog posts for iParent and updates on games, apps and social networking trends.

Development is also well underway for two new programs to be launched early in 2018–19. These are a role-playing video game that teaches children aged 11 to 14 skills in digital intelligence and a peer mentoring program that helps young people be positive influencers online.

eSafety Outreach program

eSafety Outreach supports an extensive education program for school students, preservice teachers, educators, parents/carers, community organisations, sporting groups, law enforcement, welfare agencies, and mental health and youth workers. The Office focuses on meeting broader community needs by providing online safety education through various delivery platforms and resources—promoting, coordinating and leading online safety education for Australian children and those who work with children nationally.

Virtual Classrooms

The eSafety Outreach program reaches wide audiences by using Virtual Classrooms and webinars. The presentations are live and delivered by expert trainers with interactive elements including live chats and polling. In 2017–18, the Office delivered four main webinar events for schools including:

- > Safer Internet Day—‘A better internet starts with you’
- > National Day of Action against Bullying and Violence—‘Imagine a future free from cyberbullying’
- > Privacy Awareness Week—‘My House My Rules’
- > National Child Protection Week—‘Keeping Safe in the Game’.

The Virtual Classrooms attracted over 124,000 students and teachers from all states and territories.

The Office also created three new webinars for educators—‘Respect and online relationships’, ‘Preventing and managing cyberbullying’ and ‘Life-long online safety practices’. Introduced in April 2018, the new webinar series is accredited by the NSW Education Standards Authority and the ACT Teacher Quality Institute, allowing teachers to gain accredited professional development hours on completion of the course.

In 2017–18, the Office provided online safety education to over 140,000 students, parents, educators and community workers (see Table 6.2).

Table 6.2: Total activity, 1 July 2017 to 30 June 2018

Type of outreach program	Attendees	Events
Virtual Classrooms	124,895	78
Pre-service teacher presentations (face-to-face and webinars)	2,437	27
Community face-to-face presentations	4,857	155
Teacher Professional Learning webinars	1,302	21
Other presentations (including at conferences and seminars)	6,732	26
Total	140,223	307

Voluntary certification scheme for online safety program providers

The Office’s voluntary certification scheme for online safety program providers aims to give schools and other relevant groups certainty when engaging providers to present online safety programs. The scheme supports the government’s Project Agreement for Online Safety Programs in Australian Schools, which the Office helps to administer.

At 30 June 2018, there were 36 online safety program providers certified by the Office:

- > Alannah and Madeline Foundation Limited
- > Baptist Care SA
- > Brainstorm Productions Pty Ltd
- > Bravehearts Foundation Limited (Bravehearts)
- > Bully Zero Australia Foundation
- > Carly Ryan Foundation
- > Centre for Internet Safety Pty Ltd
- > Classroom Connections
- > Cyber Owls Pty Ltd
- > Eyes Open Social Media

- > FYI Education
- > INESS Pty Ltd (Internet Education Safety Services)
- > Internet Safe Training Pty Ltd
- > Interrelate Limited
- > Jacinta Docherty
- > Jeremy Kalbstein (Cyber Safe)
- > John Wiley & Sons Australia Ltd (Jacaranda)
- > Jonny Shannon
- > Jordan Foster (ySafe Solutions)
- > Life Education Australia
- > Martine Oglethorpe (The Modern Parent)
- > OnDigital Pty Ltd (SchoolTV)
- > Optus Administration Pty Limited (Optus Digital Thumbprint Program)
- > PROJECT ROCKIT Pty Ltd
- > Quality Workplace Practices Pty Ltd
- > Rachel Downie
- > Roar Film Pty Ltd (Roar Film and Roar Educate)
- > Safe on Social Pty Ltd
- > SAL Consultants & Investigation Services (Vic.) P/L (Cyber Safety Solutions)
- > Sex Education Australia
- > South Eastern Centre Against Sexual Assault (SECASA)
- > Student EDGE Pty Ltd
- > The Cyber Safety Lady
- > WA Child Safety Services
- > Whitelion Inc. (Stride)
- > Yourtown Limited (Kids Helpline @ School).

Digital literacy for older Australians—‘Be Connected’

In November 2017, the Office launched the ‘Be Connected’ website in response to the government’s June 2016 commitment to increasing the confidence, skills and online safety of older Australians.

‘Be Connected’ specifically addresses the needs of those who are either digitally disengaged or have very basic skills. The website offers over 150 learning activities and a variety of interactive resources to help users develop basic digital skills and interact safely online. It is supported by a network of trainers providing face-to-face assistance.

Since its launch, the learning portal has supported over 51,000 users, with more than 90,000 training sessions and over 600,000 page views. The resources have proven to be appropriately designed for the primary cohort, with 91 per cent of learners finding the material engaging and interesting, and 90 per cent feeling inspired or confident to practise the skills they have learnt.

Plans for the portal include an additional 50 learning activities, a digital playground for seniors to practise their skills, a games area to develop mouse and keyboard skills and personalised learning plans to help older Australians safely set up on a new device.

The Office is expanding this initiative with a targeted outreach program to help older Australians, as well as people and organisations who work closely with them, to develop skills to stay safer online. A pilot in May 2018 attracted over 200 participants, with 95 per cent recommending the outreach program to a friend or colleague.

eSafetyWomen

Since its launch in mid-2016, eSafetyWomen has successfully empowered Australian women to manage technology risks and abuse, and take control of their online experiences through three pathways:

- > awareness-raising through targeted social media
- > training for frontline family and domestic violence workers
- > advice and resources for women to help them keep safe online.

eSafetyWomen website

The eSafetyWomen website—esafety.gov.au/women—features a range of helpful ‘how-to’ videos giving step-by-step guidance on the privacy and security features on a range of popular platforms and devices. Case studies bring to life stories that illustrate the issues women face and how they were resolved. The site also features a personal technology check-up, and virtual tours of technologies commonly found in homes, in cars and on mobile devices.

During 2017–18, the website received 51,268 unique visits, with 74,448 pages of content viewed. The most popular resources include the technology checkup, ‘take the tour’ interactives and video case studies.

Training for frontline workers

In 2017–18, the Office continued to deliver training to raise awareness of technology-facilitated abuse and what can be done in response, running 172 workshops and training more than 3,000 frontline workers.

Face-to-face training comprises a two-hour workshop for domestic and family violence professionals, as well as those volunteering in the domestic violence field. Participants gain a detailed understanding of how technology-facilitated abuse can occur, and the knowledge and confidence to support women and families experiencing or recovering from this type of abuse.

The Office continues to receive overwhelmingly positive feedback on the workshops—82 per cent of respondents to the post-workshop survey rated the presentations as ‘excellent’ and another 17.5 per cent as ‘good’.

In late June 2018, the Office launched *eSafetyWomen—online training for frontline workers* to complement the existing face-to-face eSafetyWomen workshops. This gives greater access to frontline workers who may not be able to attend in-person training, particularly those in rural and remote areas, and is also a valuable resource to those workers who have already attended a face-to-face workshop.

Women Influencing Tech Spaces

Launched as a pilot program in May 2018, Women Influencing Tech Space (WITS) aims to protect and promote women’s voices online. It is based on the premise that every woman deserves to have safe, positive and empowering experiences online.

WITS draws on the skills, strategies and stories of women in combating cyber abuse. It uses women’s voices to reinforce that cyber abuse is not a women’s issue—but rather a societal issue that disproportionately affects women—and that positive change can come from empowering women to interact online with confidence and resilience.

The WITS microsite—esafety.gov.au/WITS—includes:

- > videos of women sharing how to combat cyber abuse
- > online safety tips and information for taking action
- > a suite of newly developed resilience tips and techniques to help women build their ‘psychological armour’ and enhance their mental wellbeing online.

Research

Under the EOS Act, the Office has key roles in research about online safety, including to:

- > collect, analyse, interpret and disseminate information
- > support, encourage, conduct and evaluate research
- > publish reports and papers relating to online safety.

The Office's research program takes a leadership role in promoting, coordinating and undertaking research into digital participation and online safety issues. In developing the research program, the Office continues to engage with leading research agencies and other channels, including the Commissioner's Online Safety Consultative Working Group.

During 2017–18, the Office released a range of research including:

- > *Image-based abuse, national survey summary report*
- > *Image-based abuse, qualitative research summary report*
- > Image-based abuse research infographics:
 - > Prevalence & pathways
 - > Impacts & needs
 - > Bystanders
- > *Young people and sexting—attitudes and behaviours: research findings from the United Kingdom, New Zealand and Australia*
- > *State of play—youth and online gaming in Australia*
- > *State of play—youth, kids and digital dangers*
- > *Understanding the digital behaviours of older Australians* (summary and full reports).

The Office also commissioned a range of new research to support program delivery and targeted communications. This research aims to:

- > identify the resources and support family members, friends and peers need to address the challenges of teaching new digital skills to people aged 70 and over
- > provide insight into the experiences of Indigenous Australian women and women of Culturally and Linguistically Diverse (CALD) backgrounds with technology-facilitated abuse
- > understand the beliefs, attitudes and motivation of adults who exhibit image-based abusive behaviour
- > gain insight into parents' attitudes and behaviours in keeping their children safe online.

Communications and stakeholder engagement

Media

The Office uses a range of media channels to effectively communicate with stakeholders and the broader Australian community, including:

- > Traditional media—the Office regularly features in mainstream news and current affairs coverage across TV, radio, print and online, discussing trending online safety issues, and promoting programs, services and expertise.
- > Social media—there was a 28 per cent increase during 2017–18 in followers across Facebook, Twitter, Instagram, Snapchat and LinkedIn.
- > Blogs—the Office continued to utilise blogs to raise awareness of current issues, provide information, promote the Office's services and provoke discussions on a wide range of online safety issues. Twenty-three blogs were published during 2017–18.
- > Electronic direct mail—the Office's monthly electronic direct mail newsletter *Cyberzine* highlights the latest eSafety resources and advice to a list of over 10,000 subscribers, with over 320 subscribers added each month.

Partnerships

The Office works cooperatively and productively with domestic and international organisations to increase education and awareness about online safety. Partners include government agencies, not-for-profit organisations, corporations and community-based groups, with work ranging from distributing educational material, supporting events and community awareness-raising weeks to co-developing content.

During 2017–18, the Office joined with organisations to raise awareness of online safety issues through:

- > National Child Protection Week, 3–9 September 2017
- > National eSmart Week, 4–8 September 2017
- > Day for Daniel, 27 October 2017
- > Online Safety on the Edge conference, 1–3 November 2017
- > Safer Internet Day, 6 February 2018
- > National Day of Action Against Bullying and Violence, 16 March 2018
- > Privacy Awareness Week, 13–19 May 2018.

Two key events during the year saw the Office bring together individuals, families, communities, schools, government, industry, and local and international online safety experts to help empower all Australians to have safer and more positive experiences online.



Promoting online safety

Case study

Safer Internet Day (SID), an annual worldwide event to help encourage a better internet, provided the Office with a fantastic platform to promote the Office's functions and online safety issues. This year SID was held on Tuesday 6 February 2018, with the theme 'Create, connect and share respect: A better internet starts with you'. Celebrated globally in 130 countries, SID is coordinated by the joint Insafe/INHOPE network, with the support of the European Commission, and national Safer Internet Centres across Europe.

The Office held a range of activities to promote SID 2018, the highlight being an event at Parliament House bringing together some of the 240 organisations and schools that came on as official supporters to promote SID 2018. The Prime Minister gave an address, alongside the Minister for Communications and the eSafety Commissioner.

Social media including Twitter and Facebook were used consistently throughout SID 2018 events, with the hashtags #SaferInternetDay and #SID2018 trending #1 in Australia.

The Office offered tailored SID 2018 Virtual Classrooms to schools across the country during the week, reaching a record number over 55,000 students—more than double the previous year. The campaign also included collaborating with the New South Wales Department of Education on a SID 2018 Facebook Live Q&A, giving more than 97,000 parents practical advice on dealing with and reporting cyberbullying.

The need to promote the Office's functions and the desire to bring together national and international online safety experts provided an unparalleled opportunity to host the Office's inaugural conference titled, *Online Safety on the Edge*, in conjunction with Netsafe New Zealand. Over three days from 1–3 November 2017, the conference brought together over 80 speakers and 380 delegates from Australia, New Zealand and beyond to explore the latest trends and issues in online safety and to lay the framework for a common way forward. Conference sessions explored a variety of issues including the need to switch the discussion on image-based abuse from a victim-blaming approach to one that acknowledges a shared responsibility and the need for online safety education to encompass notions of respectful relationships and consent. The impact of trolling and hostility on women and others online was also examined.

The conference also focused upon addressing future priorities—the need for genuine consultation and partnership, both among practitioners and those whom programs are seeking to influence—particularly young people; the possibilities offered by technology in helping shape a safer online environment; and the potential for a whole-of-community approach that builds on the many lessons in online safety education learnt to date.

Online Safety Consultative Working Group

The Online Safety Consultative Working Group (OSCWG) is the Office's advisory forum on issues that contribute to enhancing the online safety of all Australians. Representatives have a wide range of experience and skills connected with online safety and include industry, law enforcement, child advocacy, education, academia, not-for-profit, government and non-government organisations. It is an independent source of expert advice and meetings are an opportunity to examine emerging policy and technological developments, as well as strategies for enhancing online safety for all Australians.

In 2018, the Commissioner convened two sub-committees of the OSCWG:

- > Contact and Content—contributed to the Office's understanding of issues relating to child exploitation material and illegal online content, including online pornography
- > Conduct and Community—considered strategies for managing negative online behaviours associated with cyberbullying, sexting and image-based abuse and provided insights into key online safety issues relevant to vulnerable members of the community.

In response to a government request, the Commissioner convened an expert committee drawn from the membership of the Contact and Content sub-committee to help shape policy measures in response to the Senate References Committee on Environment and Communications report, *Harm being done to Australian children through access to pornography on the Internet*. This group made recommendations to government in December 2017.

The Conduct and Community sub-committee considered 'safety-by-design' principles aimed at encouraging the embedding of user safety in the design, content and functionality of digital services and products before they are deployed to market.

OSCWG members contributed to discussions on a variety of issues-based topics including:

- > shaping the Office's approach to cyber-abuse and trolling
- > providing insights into issues facing LGBTQI young people
- > peer-based solutions for addressing negative behaviour online
- > intergenerational coaching for older Australians.

OSCWG members were invited to take part in two international roundtables hosted by the Office. In February 2018:

- > the group was addressed by David Austin, CEO of the British Board of Film Classification, on the UK Parliament's approach to protecting children from harmful online pornography through age-verification rules contained in their *Digital Economy Act 2017*.
- > Stephen Balkam, CEO of the Family Online Safety Institute, gave his perspective on global online safety trends, including the implications of AI machine learning.

See Appendix 1 for membership details of the OSCWG.

eSafety and Mental Health Steering Group

In January 2018, the Office formed the eSafety and Mental Health Steering Group, comprising representatives from Australia's key mental health and online safety organisations. The group's goal is to harness its collective resources to help combat cyberbullying and promote help-seeking strategies for individuals at risk of harm.

One of the group's goals is to change the media messaging around links between suicide and cyberbullying; in particular, to minimise additional harm and the possibility of suicide contagion by erroneously linking cyberbullying with suicide. Group members have met as needed to propose effective media messaging that focuses on help-seeking behaviours.

See Appendix 1 for membership details of the eSafety and Mental Health Steering Group.

Government consultations

During the reporting period, the Office participated in and contributed to several government consultations, including:

- > Workshops hosted by DoCA—discussing a civil penalties scheme to address image-based abuse (July 2017).
- > WeProtect Global Alliance—contributing to the WeProtect National Reporting Survey (December 2017).
- > Senate Inquiry—providing oral evidence on the adequacy of existing offences in the Commonwealth Criminal Code and state and territory criminal laws to capture cyberbullying (February 2018), followed by answering questions on notice (March 2018).
- > National Children’s Commissioner—providing feedback on the Fourth Action Plan Discussion Guide (March 2018).
- > National Children’s Commissioner—providing a checklist on online safety for organisations working with children and young people, as part of the National Principles Child Safe Organisation (April 2018).
- > Home Affairs and Australian Federal Police—providing a briefing document on proposed anti-child exploitation initiatives (April 2018).
- > Royal Commission into Institutional Responses to Child Sexual Abuse—contributing to the Government response to the Royal Commission’s recommendations (June 2018).
- > House of Lords Inquiry—providing an overview of the work of the eSafety Commissioner to the House of Lord’s Communications Committee Inquiry, ‘The Internet: to regulate or not to regulate?’ (May 2018).
- > Australian Human Rights Commission—attending a roundtable to help draft a report to the UN Committee on the Rights of the Child (June 2018).
- > Sex Discrimination Commissioner—meeting to discuss WITS, eSafetyWomen and the Sex Discrimination Commissioner’s work (May 2018).
- > Australian Human Rights Commission—attending a roundtable to help draft a report to the UN Committee on the Rights of the Child (June 2018).

Interagency committees and working groups

The Commissioner is a member of the government’s National Plan Implementation Executive Group for Reducing Violence against Women and their Children. The Office was an active participant in the Fourth Action Plan Steering Group; providing input, advice and support to the development of the Fourth Action Plan to Reduce Violence against Women and their Children.

Chapter 7

Accountability arrangements

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Under section 67 of the EOS Act, the ACMA is required to assist the Commissioner to perform functions and exercise powers to such extent as the Commissioner reasonably requires, making available resources, facilities and members of staff of the ACMA. The Office uses ACMA resources for a range of functions, such as human resources, information technology, governance and financial operations, purchased under an agreed cost structure. As a result of this legislative arrangement, administrative and financial controls are consistently applied across the ACMA and the Office. For the purposes of the preparation of financial statements, the ACMA and the Office report as a single financial entity.

As a statutory office, the Office of the eSafety Commissioner is not subject to the PGPA Act. However, administrative arrangements currently in place provide assurance to the ACMA that the activities of the Office are conducted in an efficient, effective and ethical manner, and all transactions are captured and reported within the appropriate ACMA financial and HR management information systems.

Information about accountability arrangements that are not specifically referred to in this chapter are covered in *Part 3—Management and accountability*.

Financial arrangements

Funds for the Office form part of the ACMA appropriation. Specified departmental and administered funds are annually credited to the Online Safety Special Account.

The Special Account is administered by the ACMA; however, any amount debited from the Account requires written approval of the Commissioner. Refer to Appendix 11 for details of the Office's financial reporting, as per the requirements under subsection 57(aa) of the ACMA Act.

Staffing the Office

Other than the Commissioner, all employees working for the Office remain employed by the ACMA under the *Public Service Act 1999*. They continue to be subject to the same laws, regulations, instructions, policies and guidelines as ACMA staff working under the direction of the ACMA (refer to Part 3).

Audit and risk management

The Office is not required to have a separate Audit Committee. The Commissioner can undertake independent audits and the Office falls under the mantle of the ACMA's internal controls, processes and systems. As ACMA employees, the staff of the Office are subject to the ACMA's risk and fraud management framework. In addition, the Office's management team maintains a register of risks pertaining to the work of the Office.

The Commissioner makes a formal representation to the ACMA Chair confirming the accuracy of the financial information for the year. This includes:

- > acknowledging responsibility for the operation of the systems and internal controls as they apply to the Office
- > a statement that there are no known or suspected frauds
- > that all transactions have been properly recorded
- > that the Special Account has been used appropriately
- > that grant payments to states and territories are made in accordance with the Intergovernmental Agreement on Federal Financial Relations
- > that non-financial performance has been appropriately measured and reported
- > that related party transactions have been reported.

Freedom of information

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information as part of the Information Publication Scheme (IPS), under Part II of the FOI Act. The Commissioner is an agency for the purpose of the FOI Act. Information on the Office's IPS, including the agency plan, can be found at esafety.gov.au/about-the-office/privacy-and-legal.

Financial reporting

Appendix 11 contains financial information on the operation of the Office for the financial year ending 30 June 2018, presented in accordance with subsection 57(aa) of the ACMA Act.



Part 3

Management and accountability



Chapter 8

Management and accountability

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Part 3 details revenue collection, staffing arrangements, governance, information management, and financial and property management.

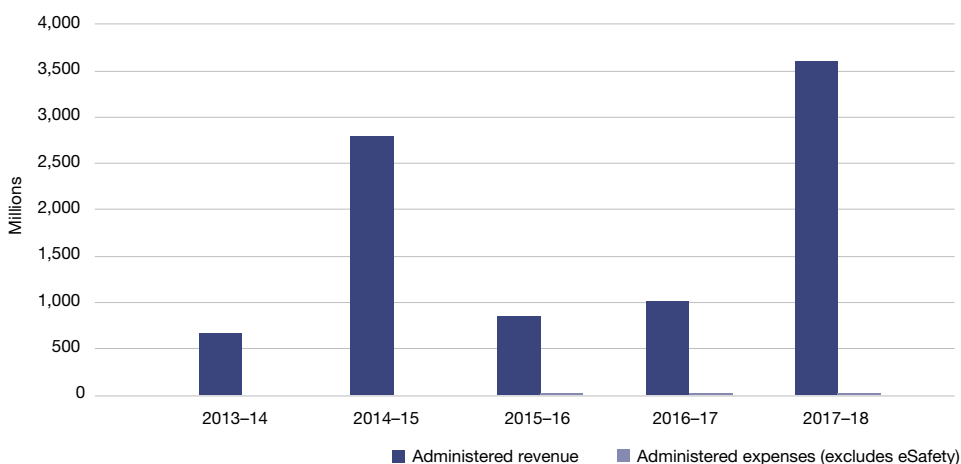
All references to the ACMA in Part 3 also apply to the Office, unless specified. Please refer to Chapter 7 in the Office’s annual report for specific governance and administrative information. All staff employed to undertake the functions of the Office (with the exception of the Commissioner and directly recruited contract staff) are staff of the ACMA and are covered by all ACMA entitlements, protections and obligations.

Revenue collection

The ACMA collects revenue on behalf of the Australian Government through broadcasting, radiocommunications and telecommunications taxes, levies, fees and charges. It also administers non-regular revenue from spectrum auctions.

In 2017–18, we administered \$3.608 billion in revenue (2016–17: \$1.008 billion) and \$5 million in associated expenses (2016–17: \$0.890 million), as shown in Figure 8.1.

Figure 8.1: Revenues and expenses administered on behalf of government



The administration of taxes, levies, fees and charges plays a key role in the planning, allocation and effective use of public resources.

In accordance with the Australian Government’s Charging Framework, we also recover the costs of regulating the industry. Revenue raised by the ACMA in taxes, charges, levies and other revenue is shown in tables 8.1–8.4.

Table 8.1: Resource taxes and charges

Description	Revenue in 2016–17 (\$m)	Revenue in 2017–18 (\$m)
Broadcasting licence fees and datacasting charge	(2.70)	0.00
Apparatus licence tax	163.46	201.42
Spectrum licence tax	0.77	0.14
Annual numbering charge	60.00	60.00
Sale of smartnumbers	1.83	2.35
Apparatus auctions	0.04	0.03
Reissue of 15-year spectrum licences	0.00	1,440.64
Digital dividend spectrum licence auction—instalment payments and licence renewals	527.65	1,637.48
Total taxes	751.05	3,342.06

Notes: The rate for broadcast licence fees was set at zero per cent for the 2016–17 return period. The amount of (\$2.70 m) in 2016–17 represents an overestimation of the previous year's revenue. The broadcasting licence fees and datacasting charge has ceased.

Table 8.2: Cost recovery charges

Description	Revenue in 2016–17 (\$m)	Revenue in 2017–18 (\$m)
Annual carrier licence charge	32.62	31.68
Fee-for-service charges	3.30	4.20
Do Not Call Register charges	1.97	2.31
Total charges	37.89	38.19

Table 8.3: Industry levies

Description	Revenue in 2016–17 (\$m)	Revenue in 2017–18 (\$m)
Telecommunications Industry Levy (TIL)	217.74	227.22
Total charges	217.74	227.22

Table 8.4: Other administered revenue

Description	Revenue in 2016–17 (\$m)	Revenue in 2017–18 (\$m)
Fines and penalties	0.07	0.07
Other	1.46	0.60
Total charges	1.53	0.67

Telecommunications services funding

The process for assessing and collecting the Telecommunications Industry Levy (TIL) is dealt with under Part 2, Division 5 of the TCPSS Act. A combination of funds raised under the TIL and dedicated government funding continues to be used to meet the costs of service contracts or grants to deliver universal service obligations, the National Relay Service and delivery of emergency call services, and other public policy telecommunications outcomes (with the contracts and grants administered by DoCA).

Each carrier that held a carrier licence at any time during the 2017–18 financial year must report eligible revenue information to the ACMA by 31 October 2018.

Annual carrier licence charges

Annual carrier licence charges (ACLC) are imposed under the *Telecommunications (Carrier Licence Charges) Act 1997* on participating carriers to recover the cost incurred by the ACMA, Australian Competition and Consumer Commission and the Australian Government for regulating the telecommunications industry. Costs arising from activities on national telecommunications interest issues, such as coordinating engagement with the International Telecommunication Union, and financial assistance grants to support consumer representation in the telecommunication sector are also cost recovered through the ACLC. The total charge is allocated to participating carriers based on their eligible revenue for the previous eligible period as determined by the eligible revenue assessment.

Do Not Call Register access fees

The direct costs of operating the DNCR are recovered from industry through subscription fees for accessing the register to check or 'wash' numbers.

New subscription fees began on 1 July 2017. In 2017–18, annual subscription fees for telemarketers and fax marketers for washing their call lists against the register ranged from \$113 (to wash up to 20,000 numbers) to \$127,700 (to wash up to 100 million numbers). There is also a subscription type that allows telemarketers to wash up to 500 numbers each year at no cost.

In 2017–18, we reviewed the DNCR cost-recovery arrangements in line with the Australian Government Charging Framework. No changes to subscription fees were required to recover the direct costs of operating the DNCR.

We continue to refine the DNCR cost-recovery forecasting model to ensure it accurately assesses demand drivers.

Numbering charges

On behalf of the government, the ACMA collects a set amount of revenue each year from carriage service providers (CSPs) that hold telephone numbers. We collect this revenue through the annual numbering charge (ANC), a budgetary measure, set at \$60 million per annum.

CSPs are liable for the charges based on the numbers they hold on a specified census date, which we determine each year. The 2017–18 date was 8 April 2018.

In 2017–18, the base number charge for a 10-digit number was \$0.6369583151. Using the opportunity-cost methodology applied in previous years, nine-digit numbers were charged at \$6.369583151, eight-digit numbers at \$63.69583151 and so on. No numbers incurred the maximum cost of \$100,000 allowable under the *Telecommunications (Numbering Charges) Act 1997*.

Numbers used for incoming-only international services, internal network services and testing services were subject to a reduced rate of charge. Geographic numbers (numbers starting with area codes such as 02, 03, 07 and 08) allocated to a CSP for the purposes of providing a standard telephone service to a customer are exempt from the charge.

At 30 June 2018, the ACMA had received \$60 million of the \$60 million revenue target.

Number allocation charges

The ACMA recovers the cost of the Commonwealth's contract to provide numbering services through charges to use the Numbering System (an online number allocation system). Numbering charges are set at \$35 per transaction. We continued to monitor cost-recovery arrangements in 2017–18; an option may be to recoup any under-recovery of the Commonwealth's contract through the ANC at the end of the contract (or the transition to any industry numbering scheme).

Radiofrequency spectrum revenue

Apparatus licence taxes

The ACMA imposes taxes on the issue of radiocommunications apparatus licences to support the efficient use of spectrum and recover the indirect costs of spectrum management. The tax is calculated by a formula that makes fees consistent, equitable and transparent. The formula encourages efficiency by making taxes higher in congested locations and spectrum bands, so taxes are proportional to the bandwidth and give discounts for low power.

We made some adjustments to apparatus licence taxes in 2017–18 following consultation with industry. The changes decreased the tax for scientific-assigned 'trial' licences by 90 per cent, with a single tax to be charged for the licence rather than on a per spectrum access/transmitter basis. These reforms underline our commitment to facilitating research and innovation in the use of the radiofrequency spectrum.

All apparatus licence taxes, except for fixed services below 960 MHz in remote-density areas, were adjusted annually for changes in the Consumer Price Index (CPI) to compensate for the effects of inflation.

At the same time as making the CPI adjustments, we clarified how taxes are to be calculated for the PMTS Class licence type and made some consequential amendments resulting from changes to the pricing arrangements for commercial broadcasting.

We also released a paper outlining our review and analysis of the opportunity-cost initiative in the 400 MHz band. The major finding was that overall demand is not growing as strongly as outlined in our November 2016 consultation paper, so the need to increase apparatus licence tax rates is no longer apparent. We will monitor demand periodically and will reconsider increases to apparatus licence tax rates if future demand growth implies congestion may become a problem.

Details of the apparatus licence taxes and charging arrangements are in the *Apparatus licence fee schedule, April 2018*, available on the ACMA website.

Table 8.5 shows the total revenue from radiocommunications apparatus licences collected by the ACMA in 2017–18.

Table 8.5: Revenue from radiocommunications apparatus licences, 2017–18

Type of licence	Revenue in 2017–18 (\$m)
<i>Assigned licences</i>	
Public telecommunications service	22.29
Fixed	75.62
Land mobile	85.88
Satellite*	7.94
Defence	12.08
Other	0.01
Total assigned licences	203.82
<i>Non-assigned licences</i>	1.86
Total	205.68

*Includes earth, space, earth receive and space receive licences.

Spectrum licence tax

The spectrum licence tax is imposed on all holders of spectrum licences at 11 October each year. This contributes to the ACMA's recovery of the indirect costs of spectrum management activities such as international coordination, domestic planning, interference investigation and policy development from spectrum licensees. The spectrum licence tax is calculated based on the bandwidth and the population covered in a licence.

Following consultation in April 2018, we updated spectrum licence tax calculations for each of the spectrum-licensed bands to include new base amounts and references to the 2016 Census.

In May 2018, as part of the consultation process for the proposed auction of spectrum in the 3.6 GHz band, we also consulted on a spectrum licence tax for this band. We expect to update the tax when making the legislative instruments to conduct the auction.

Broadcasting licence fees and datacasting charge

The ACMA previously collected broadcasting licence fees (BLF) from commercial radio and television broadcasting licence-holders under the *Television Licence Fees Act 1964* and *Radio Licence Fees Act 1964*. Fees were calculated as a percentage of the gross broadcast-related earnings of the licence-holders for each BLF period, less any rebates that applied.

We also previously collected datacasting charges under the *Datacasting Charge (Imposition) Act 1998*. Datacasting charges were collected from commercial television broadcasting licensees who also held a transmitter licence issued under the Radiocommunications Act and used the transmitter licence to provide a datacasting service(s) authorised by a licence under Schedule 6 of the BSA.

The *Broadcasting Legislation Amendment (Broadcasting Reform) Act 2017* removed the BLF and datacasting charges from the start of 2017–18. The commencement of the Radio Licence Fees Regulations 2017 and Television Licence Fees Amendment Regulations 2017 on 30 June 2017 also removed the licence fees payable by Australian commercial free-to-air television and radio broadcasters for the 2016–17 financial year.

Table 8.6: Comparison of 2016–17 and 2017–18 BLF and datacasting charge

	Revenue (\$m)	
	2016–17*	2017–18
Radio BLF	21.13	0
TV BLF obligation	104.67	0
Less digital TV conversion rebate	(0.77)	0
Datacasting	1.1	0
Total	126.13	0

*Relates to the 2015–16 return period, collected in 2016–17.

Governance

The ACMA is a non-corporate Commonwealth entity under the PGPA Act. The ACMA Chair is the accountable authority and Agency Head for the purposes of the Public Service Act.

In January 2018, the governance arrangements for the ACMA changed. The Executive Management Committee (EMC) was created, meeting fortnightly to assist the Chair in the role of accountable authority. The EMC advises on strategic matters and issues of significance, and oversees finance, resource management, compliance and enforcement and information technology areas. The EMC comprises the Chair, Deputy Chair/CEO and the four Senior Executive Service (SES) Band 2 General Managers.

In accordance with paragraph 17AG(2)(d) of the PGPA Rule 2014, no issues of non-compliance with the finance law were reported to the Minister for Communications or Minister for Finance in the reporting period.

Corporate planning

The *ACMA Corporate plan 2017–18* covers a four-year period and outlines the strategic approach to achieving our long-term objectives and priorities. The 2017–18 plan is available on the ACMA website.

During 2017–18, the members of the EMC met each quarter to assess agency performance against the strategies, activities, performance measures and targets outlined in the corporate plan.

Refer to Chapter 7 in Part 2—*Office of the eSafety Commissioner annual report 2017–18* for details of the Office's business planning activities.

Risk management and fraud control

The ACMA has established and maintains systems of fraud control and risk management in accordance with the PGPA Act and Commonwealth policies.

We take a risk-management approach to internal processes, priority-setting and our regulatory activity. This ensures we focus our actions on addressing the most serious risks that may impede achievement of our purpose and that our regulatory action is targeted at areas of greatest need.

All staff take online training in fraud awareness and risk management to maintain our strong culture.

The EMC gives serious, regular and systematic consideration to the identification of risk, and direct significant effort and resources to managing risks.

In 2017–18, we continued to refine our risk management framework, including steps to address the areas of improvement identified in the ANAO audit *Management of Risk by Public Sector Entities*.

Audit

The ACMA regularly reviews governance systems and takes steps to improve on our existing strong foundations. On a quarterly basis, our Audit Committee and internal auditors provide expert advice to the ACMA in the interests of continual improvement.

During 2017–18, the Audit Committee met four times and continued to look at key corporate and regulatory processes. The committee reviewed all internal and relevant external audit activity and reported on performance against its charter.

Over the reporting period, our internal audit services were provided by RSM Australia Pty Ltd, and overseen by the Audit Committee. There were 10 internal audits completed during 2017–18. The Audit Committee monitors and tracks the implementation of all audit recommendations.

Details of the Audit Committee are included in Appendix 1.

ANAO performance audits

The ACMA participated in two Australian National Audit Office (ANAO) performance audits tabled in 2017–18:

- > Management of the Contract for Telephone Universal Service Obligations—the objective was to assess the effectiveness of DoCA's contract management of selected telephone universal service obligations, specifically, standard telephone and payphone services. There were no improvement recommendations for the ACMA in the report.
- > Management of Risk by Public Sector Entities—the objective was to assess how effectively selected public sector entities manage risk. The ACMA was one of the selected entities participating in the audit. The ANAO did not make any formal recommendations, but instead highlighted areas for improvement.
- > During 2017–18, we took steps to address areas identified for improvement, including releasing a revised risk appetite statement, creating a strategic risk register, incorporating arrangements to regularly review risks and focusing on embedding risk management into the corporate plan.

Security

We continued to maintain our protective security functions in line with the requirements of the Protective Security Policy Framework and Information Security Manual. We also updated our Business Continuity Plan, which will be published in the latter half of 2018.

All statutory reporting requirements were met in 2017–18, including participation in the Protective Security Policy Framework compliance reporting conducted by the AGD.

Regulatory impact analysis compliance report

The Office of Best Practice Regulation (OBPR) manages and monitors regulatory impact analysis requirements and is required to report annually on regulatory impact compliance by Australian Government departments and agencies.

In 2017–18, the ACMA undertook 19 preliminary assessments for regulations to be made or tabled in the reporting period.

Freedom of information

Agencies subject to the FOI Act are required to publish information as part of the Information Publication Scheme (IPS), under Part II of the FOI Act. The ACMA is an agency subject to the FOI Act. Information on the ACMA's IPS, including our agency plan, can be found at acma.gov.au/theACMA/acma-freedom-of-information-act-publication-plan.

The agency plan provides a description of, and links to, the categories of information that we are required to publish, as well as information on other material that we voluntarily publish. Further information can be obtained using the contact details provided in the agency plan.

Refer to Chapter 7 in Part 2—*Office of the eSafety Commissioner annual report 2017–18* for FOI details relating to the Office.

External scrutiny

Judicial and administrative decisions

During 2017–18, there were no judicial decisions or decisions of administrative tribunals or of the Australian Information Commissioner that have had or may have a significant impact on the operations of the ACMA.

There were no reports on the operations of the ACMA by the Commonwealth Ombudsman during the reporting period.

Our people

The ACMA had 439 employees at 30 June 2018, compared with 422 at 30 June 2017, of whom 45 were engaged within the Office of the eSafety Commissioner. Comparative staffing details are in Appendix 2.

Employment terms and conditions of work for all non-SES employees of the ACMA are determined by the *ACMA Enterprise Agreement 2017–2020* (ACMA Agreement). Salary ranges available under the ACMA Agreement are in Appendix 2.

Terms and conditions for the ACMA's 15 substantive SES employees are contained in common law contracts.

At 30 June 2018, the salaries for employees on common law contracts were:

> SES1—\$188,643 to \$205,173

> SES2—\$247,719.

Non-salary benefits for employees on common law contracts may include a mobile phone, a home computer, a car allowance and parking.

At 30 June 2018, 22 employees at APS Level 4, APS Level 6, Executive Level 1 (EL1) or Executive Level 2 (EL2) had individual flexibility arrangements for additional salary or retention bonuses. The highest additional salary increases the EL2 maximum to \$193,543 per annum and the EL1 maximum to \$137,264 per annum. The maximum retention bonus was \$7,500 per annum.

Performance payments

Performance pay is available to employees at EL2 (and equivalent) level under the ACMA Agreement. Total performance payments paid for 2017–18 are set out below.

Table 8.7: Performance payments—ACMA, 2017–18

Employee level	Employees paid	Total performance pay (\$)	Minimum bonus (\$)	Maximum bonus (\$)	Average bonus (\$)
EL2	35	191,957.17	1,902.03	7,681.14	5,484.49

Note: Of the 57 eligible EL2 (and equivalent-level) staff, 35 were paid a bonus.

Table 8.8: Performance payments—Office of the eSafety Commissioner, 2017–18

Employee level	Employees paid	Total performance pay (\$)	Minimum bonus (\$)	Maximum bonus (\$)	Average bonus (\$)
EL2	9	65,474.53	2,702.06	12,446.47	7,274.95

Note: Of the 13 eligible EL2 (and equivalent-level) staff, nine were paid a bonus.

Workforce planning

Workforce planning continues as a priority, with a Talent Pool program to promote internal staff mobility and cross-training. This program allows staff to self-identify for new work opportunities that broaden career prospects and development. We have continued to identify critical roles and capabilities to establish succession and risk-mitigation strategies for key positions and tasks.

Workplace diversity plan

We are committed to providing a supportive and respectful work environment that recognises, values and accommodates the diversity of our employees and represents the Australian community we serve.

The ACMA *Workplace Diversity Plan 2014–18* aims to promote awareness of workplace diversity principles and enables these principles to be reflected in everyday management and workplace practices. The plan aims to develop a supportive culture, and a discrimination- and harassment-free workplace.

We recognise and value individual differences and aim to raise awareness of the importance of workplace diversity by:

- > including the acknowledgment and acceptance/encouragement of diversity in organisational and individual performance plans
- > making the ability to integrate workplace diversity principles into everyday management practice a key selection criteria for management positions
- > making information available to new employees in induction material
- > providing information to all staff through the agency's intranet.

Further information on the workplace diversity plan is available on the ACMA website.

On 30 June 2018, our employee profile was:

- > total employees—439
- > number of women—247
- > number of staff from a non-English-speaking background—57
- > number of staff with a disability—9
- > number of Indigenous staff—5 (all ongoing employees).

Gender equality strategy

As part of our ongoing commitment to providing a supportive workplace, we are working towards a greater focus on inclusiveness and the value of gender equality.

The *ACMA Gender equality strategy 2017–20* aims to identify and address gender imbalance and unconscious bias that may be affecting equity and inclusiveness for both men and women.

We aim to:

- > drive a supportive, enabling and inclusive workplace culture that seeks to benefit from the advantages of greater gender equality
- > create a diverse workforce that is representative of contemporary values
- > foster equitable access to flexible working arrangements
- > promote a gender balance at all leadership levels and seek to create greater gender balance in key business areas.

Changes to disability reporting in annual reports

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au. From 2010–11, departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with a disability, promote participation and create a more inclusive society. A high-level two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disabilities are faring. Reports can be found at www.dss.gov.au.

Ethical standards

During the reporting period, we continued to promote the importance of ethical standards through our Accountable Authority Instructions (AAIs), People Management Instructions (PMIs) and training programs. In particular, we promote ethical standards and make staff aware of their obligations through our AAIs on gifts, benefits and hospitality, and PMIs on public interests disclosure, and identifying and managing conflicts of interest.

All new staff are required to undertake online training on the APS Values and Principles as part of their induction. Adherence to the ACMA and APS Values and APS Code of Conduct is a mandatory expectation in all performance agreements.

Health and safety

The ACMA is committed to safeguarding the health and safety of our workers, visitors and the general public by providing and maintaining a safe working environment. This commitment extends to the adoption of measures to:

- > prevent accidents and ill-health caused by working conditions
- > protect workers from any health hazard that may arise out of their work or the conditions in which it is carried out
- > consult with workers and other duty-holders (for example, the employers of contractors)
- > place and maintain workers in an occupational environment designed to satisfy their health, safety and wellbeing needs at work.

A National Work Health and Safety Committee (NWHSC) comprising both employer and worker representatives operates within the ACMA to discuss and resolve health and safety issues. The broad function of the committee is to provide a forum in which ACMA employees and management are able to identify and address any workplace health and safety issues. The NWHSC met on four occasions during the reporting period.

Regular workplace inspections are undertaken in all ACMA workplaces to identify hazards and potential hazards, and to review current hazard control measures. A strong culture exists and is encouraged for the reporting of all workplace hazards and incidences.

Health and safety information is provided to all new staff through the ACMA's induction program. All staff are required to complete work health and safety online training on a regular basis. We also implemented the following initiatives during the reporting period:

- > Health Week—focusing on nutrition, resilience and ergonomics
- > influenza vaccinations
- > assistance with costs associated with eye-testing and buying glasses for screen-based use
- > Employee Assistance Program
- > a monthly health and wellbeing newsletter
- > a 'Respect at Work' campaign focused on preventing bullying and harassment.

In support of workplace health and safety, the ACMA appoints staff to corporate roles including First Aid Officer, Health and Safety Representative, Work Health and Safety Workplace Champions, Fire Wardens and Harassment Contact Officers. In early 2018, in line with the implementation of the new ACMA Enterprise Agreement 2017–20, new corporate role nominations were called for and appointments made across the agency for the roles of Health and Safety Representatives, Workplace Health and Safety Champions and Harassment Contact Officers.

No notifiable incidents were reported to Comcare, no work health and safety investigations were conducted, and no notices were given to the ACMA under Part 10 of the *Work Health and Safety Act 2011*.

People and capability development

The ACMA *Learning and Development Strategy 2015–18* supports our commitment to giving all employees effective and accessible learning and development. The strategy aims to:

- > provide quality and relevant learning opportunities that strengthen individual capability and support performance outcomes
- > ensure all employees have access to tools that will facilitate compliance with APS legislative obligations
- > create a continuous learning culture whereby individuals take ownership of their development needs in partnership with supervisors, encouraging an engaged and informed workforce.

To enhance collaboration and adaptability across the ACMA, in 2017–18 we introduced a collaborative leadership program for all SES and EL2 employees. The program was designed to enhance the capacity of this cohort to respond creatively and cooperatively to increasingly complex challenges.

The ACMA's net expenditure in 2017–18 for employee learning and development was \$813,593. This figure includes staff attendance at general training, conferences and seminars, and studies assistance and the collaborative leadership program. Staff attended a range of learning and development activities, from public service writing courses to industry-related conferences.

During the year, 15 employees were supported under our studies assistance program. Employees undertook tertiary qualifications in specialised fields such as law, business, social work and information technology.

Consultation and workplace relations

Staff consultative forums are established under the ACMA Agreement.

The National Consultative Forum (NCF) deals primarily with the key strategic and change issues that affect the ACMA and is convened by the ACMA Chair. It comprises management, union and employee representatives. The NCF met on three occasions during the reporting period.

Approaches to involve employees in decision-making and information-sharing include representation at meetings by a union delegate or non-members invited to attend meetings as appropriate, as well as the minutes of each meeting being made accessible to employees through the ACMA intranet.

The NWHSC provides a consultative forum for the identification and consideration of workplace health and safety issues that need to be addressed at an organisational level. As noted above, the NWHSC met on four occasions during the reporting period.

We participate in the Australian Public Service Commission's State of the Service employee census, which enables us to collect employee feedback to help develop strategies to address specific workforce issues. Just over 80 per cent of ACMA staff participated in the 2018 census.

Enterprise agreement negotiations

The ACMA Agreement sets out the terms and conditions of employment for staff below the SES level. A new enterprise agreement was negotiated with staff and came into effect on 1 November 2017, covering the period 2017–20.

Financial management

The ACMA continues to enhance our financial management, with a particular focus on appropriately resourcing our key activities. During 2017–18, further adjustments to reporting frameworks improved access to, and provision of, quality financial information for internal and external stakeholders.

We are continuing to review key areas within the financial management remit so that all ACMA processes align with legislative changes and best practice. We met all statutory budgeting and reporting requirements and deadlines as set down by the Department of Finance and ANAO.

Key achievements during the year included:

- > more closely aligning financial budgeting and reporting with the agency's performance planning and reporting framework
- > further improving accessibility to the financial management information system.

The ACMA's financial statements for 2017–18 were prepared in accordance with section 42 of the PGPA Act. The ANAO is given full access to all records and premises to enable them to perform their role, and they issued an unmodified audit opinion on the ACMA's 2017–18 financial statements and notes (see Appendix 13).

Procurement and contract management

During 2017–18, we streamlined our procurement and contract management capabilities by analysing current processes and measuring against compliance with the PGPA Act and Commonwealth Procurement Rules. We also reduced the number of template documents used to manage procurement of goods and services.

Procurement initiatives to support small business

The ACMA supports small business and Indigenous participation in the Commonwealth Government procurement market. Small and medium enterprises (SMEs), small enterprise and Indigenous participation statistics are available on the Department of Finance's website at finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts.

We recognise the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website at treasury.gov.au.

Our procurement practices support SMEs, consistent with paragraph 5.4 of the Commonwealth Procurement Rules, by adopting initiatives or practices including:

- > use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000
- > Australian Industry Participation Plans in whole-of-government procurement, where applicable
- > the Small Business Engagement Principles (outlined in the government's Industry Innovation and Competitiveness Agenda), such as communicating in clear, simple language and presenting information in an accessible format
- > electronic systems or other processes used to facilitate on-time payment performance, including the use of payment cards.

Grant programs

The ACMA did not administer any grant programs in 2017–18.

During the reporting period, we developed a grant management process to support the grant component of the new Regional and Small Publishers Innovation Fund. We will administer the grant program on commencement in 2018–19.

Asset management

The ACMA's asset management procedures and policies reflect relevant legislation and best practice. Major asset categories include land, buildings, leasehold improvements, plant, equipment and intangibles such as software that is either developed in-house or bought from third-party vendors. Assets are valued at fair value, with their carrying values and useful lives being reviewed annually.

At the end of 2017–18, the ACMA had a total value of \$43.240 million in net non-financial assets.

Property management

The ACMA's property portfolio includes leased, licensed and Commonwealth-owned premises, ranging from office accommodation in the major capital cities to small radio monitoring sites at remote locations. We are continuing to review our office accommodation in accordance with the Commonwealth Property Management Framework and against our ongoing operational requirements as a means of achieving the government's occupational density benchmark. Consideration is being given to adopting recommendations from ACMA's Strategic Accommodation Plan including:

- > reducing ACMA's accommodation footprint through the negotiation of new commercial lease terms and conditions
- > pursuing co-location opportunities associated with a whole-of-government approach to strategic decision making
- > developing efficient and effective space utilisation solutions.

Ecologically sustainable development and environmental performance

The ACMA is committed to ensuring that our corporate operations reflect environmental best practice in a public service agency for urban office environments, and in the remote and regional monitoring sites we manage. We undertook activities to promote ecologically sustainable development and minimise our impact on the environment by:

- > procuring green power and reducing energy consumption through energy-efficient office fit-outs
- > leasing main office tenancies that have a high National Australian Build Environment Rating System (NABERS) rating (Sydney: 6-star, Melbourne and Canberra: 5-star)
- > using videoconferencing facilities to reduce air travel
- > promoting efficient use of energy, water, paper and other natural resources
- > producing environmentally sustainable communication products, including using alternatives to paper products and forms whenever possible
- > preventing or minimising pollution, waste-to-landfill and greenhouse gas emissions
- > implementing forced 'out-of-hours' computer terminal shutdown
- > using environmentally friendly cleaning products and 100 per cent recycled printing paper
- > reducing unnecessary printing by requiring a two-stage printing activation through our cloud-based printing system.

Corporate support services provided by the ACMA to the Office

To assist the Office, the ACMA provides the following categories of services:

- > finance and accounting
- > procurement and contract management
- > accommodation and facilities
- > human resource management (including the provision of ACMA staff)
- > information and communications technology (ICT)
- > certain media and communications services
- > legal services (on a fee-for-service basis)
- > research services (on a fee-for-service basis)
- > parliamentary liaison.

All staff employed to undertake the functions of the Office (with the exception of the Commissioner and directly recruited contract staff) are staff of the ACMA, and are covered by all ACMA entitlements, protections and obligations.



Part 4

Appendixes

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Appendix 1:

Committees, memberships and attendance at meetings

Authority meetings

At 30 June 2018, the Authority comprised the Chair, Nerida O’Loughlin; the Deputy Chair and CEO, Creina Chapman; two Full-time Members, James Cameron and Chris Jose; and two Part-time Members, Anita Jacoby and Rosemary Sinclair.

The Authority met 16 times in 2017–18.

Table A.1: Attendance by Members at Authority meetings, 2017–18

Authority Member	No. of meetings attended
Nerida O’Loughlin*	11
James Cameron	16
Chris Jose†	3
Creina Chapman‡	1
Anita Jacoby	16
Rosemary Sinclair	10
Richard Bean§	5

* Nerida O’Loughlin commenced 14 October 2017.

† Chris Jose commenced 1 May 2018.

‡ Creina Chapman commenced 11 June 2018.

§ Richard Bean was Acting Chair between 1 July and 13 October 2017.

For more details about the Authority, refer to Structure in Part 1 of this report.

Executive Group meetings

The ACMA Executive Group functions as a committee for management decisions. The Executive Group assists the Chair by providing advice on issues of corporate or strategic significance to the agency.

The Executive Group formally met six times between July and December in 2017, after which a new governance forum for the Agency was formed in January 2018. The Executive Group comprised the Chair, Acting Deputy Chair and general managers.

Table A.2: Attendance at Executive Group meetings, 1 July to 31 December 2017

Member of Executive Group	No. of meetings attended
Richard Bean, Acting Chair	3
Nerida O’Loughlin, Chair	3
James Cameron, Acting Deputy Chair	4
Giles Tanner, General Manager, Communications Infrastructure Division	6
Damian West, General Manager, Corporate and Research Division	6
Brendan Byrne, General Manager, Legal Services Division	6
Jennifer McNeill, General Manager, Content, Consumer and Citizen Division	6

The Executive Management Committee met formally 11 times between 1 January and 30 June 2018. The Executive Management Committee comprises the Chair, Deputy Chair and CEO, and general managers.

Table A.3: Attendance at Executive Management Committee meetings, 1 January to 30 June 2018

Member of Executive Management Committee	No. of meetings attended
Nerida O'Loughlin, Chair	9
Creina Chapman, Deputy Chair and CEO	1
James Cameron, Authority Member	10
Giles Tanner, General Manager, Communications Infrastructure Division	11
Damian West, General Manager, Corporate and Research Division	10
Brendan Byrne, General Manager, Legal Services Division	11
Jennifer McNeill, General Manager, Content, Consumer and Citizen Division	11

Audit Committee

The ACMA Audit Committee coordinates internal and external audit activities, and oversees the financial statements, risk management framework and implementation of fraud control policies.

In its capacity as an advisory committee to the ACMA Chair, the Audit Committee met four times in 2017–18.

Table A.4: Attendance at Audit Committee meetings, 2017–18

Member of Audit Committee	No. of meetings attended
James Cameron, Audit Committee Chair (until February 2018)	3
Ian McPhee AO PSM, Audit Committee Chair, external member (from May 2018)	1
Fay Holthuyzen, External Audit Committee Member	4
Michael Parkinson, External Audit Committee Member	4
Jeremy Chandler, External Audit Committee Member	4
Paul Miszalski, ACMA Audit Committee Member	4

ACMA advisory and consultative bodies

Consumer Consultative Forum (CCF)

Chair

> James Cameron, Authority Member, Australian Communications and Media Authority

Consumer representatives

All current consumer representatives were appointed from April 2016 for a period of two years, with the exception of Teresa Corbin, CEO of ACCAN, who was appointed on an ongoing basis. Following the expiry of representatives' terms in April 2018, these representatives were reappointed until 30 June 2018:

- > Teresa Corbin, CEO, Australian Communications Consumer Action Network
- > Daniel Featherstone, General Manager, Indigenous Remote Communications Association
- > Dorothy Coombe, Country Women's Association
- > Erin Turner, CHOICE
- > George Fong, President, Internet Society of Australia
- > Jenny Lovric, Legal Aid NSW
- > Jo Ucakalo, Two Hoots and Handle My Complaint
- > Nadia Moffatt, Brain Injury SA

Representatives from industry bodies

- > Chris Althaus, CEO, Australian Mobile Telecommunications Association
- > John Stanton, CEO, Communications Alliance

Regulatory and government representatives

- > Delia Rickard, Deputy Chair, Australian Competition and Consumer Commission
- > Judi Jones, Telecommunications Industry Ombudsman
- > Sylvia Spaseski, Assistant Secretary, Consumer Access, Department of Communications and the Arts

Emergency Call Services Advisory Committee (ECSAC)

- > Australian Communications and Media Authority (Chair)
- > Ambulance Tasmania
- > Attorney-General's Department
- > Australian Capital Territory Emergency Services Agency
- > Australian Communications Consumer Action Network
- > Australian Communication Exchange Limited
- > Department of Communications and the Arts
- > Emergency Services Telecommunications Authority, Victoria
- > Fire and Rescue NSW
- > iiNet Limited
- > NBN Co Limited
- > New South Wales Police Force
- > Northern Territory Police, Fire and Emergency Services
- > Queensland Ambulance Services
- > Singtel Optus Pty Ltd
- > South Australia Ambulance Service
- > St John Ambulance, Western Australia
- > Telstra Corporation
- > Victoria Police
- > Vodafone Hutchison Australia Pty Limited

Numbering Advisory Committee (NAC)

- > AAPT Ltd
- > Australian Communications and Media Authority
- > Australian Communications Consumer Action Network
- > Australian Competition and Consumer Commission
- > Australian Phone Word Association Ltd
- > Mr Lawrence Glen Clarke
- > Communications Alliance
- > Department of Communications and the Arts
- > MyNetFone Ltd
- > SingTel Optus Pty Ltd
- > Telstra Corporation Ltd
- > Vodafone Hutchison Australia Pty Ltd

Digital Radio Planning Committee

- > Australian Communications and Media Authority (Chair)
- > Australian Broadcasting Corporation
- > Australian Competition and Consumer Commission
- > Commercial Radio Australia
- > Community Broadcasting Association of Australia
- > Department of Communications and the Arts
- > Special Broadcasting Service

Office of the eSafety Commissioner advisory and consultative bodies**Online Safety Consultative Working Group**

- > Alannah and Madeline Foundation
- > Australian Federal Police
- > Australian Mobile Telecommunications Association (AMTA)
- > Australian Psychological Society
- > Australian Seniors Computer Clubs Association
- > Bravehearts Foundation
- > Carly Ryan Foundation
- > Communications Alliance
- > Cyber Safety Solutions
- > Department of Communications and the Arts
- > Department of Home Affairs
- > Department of Education and Training
- > Department of Social Services
- > Digital Industry Group Inc
- > Enex TestLab
- > Facebook
- > Google
- > Interactive Games and Entertainment Association (IGEA)
- > National Association for Prevention of Child Abuse and Neglect (NAPCAN)
- > National Children's Commissioner, Australian Human Rights Commission
- > Office of the eSafety Commissioner (Chair)
- > Office for Women, Department of the Prime Minister and Cabinet
- > Optus
- > PROJECT ROCKIT
- > Queensland Police Service
- > ReachOut Australia
- > Reality & Risk Community Education Project
- > Royal Melbourne Institute of Technology
- > Telstra Foundation
- > Twitter
- > Western Sydney University

eSafety and Mental Health Steering Group

- > Alannah and Madeline Foundation
- > Australian Federal Police—ThinkUKnow
- > Australian Multicultural Foundation
- > Beyond Blue
- > Blackdog Institute
- > Butterfly Foundation for Eating Disorders
- > Children and Young People with a Disability Australia
- > Everymind
- > Headspace
- > Lifeline
- > Minus 18
- > Office of the eSafety Commissioner (Chair)
- > Orygen
- > PROJECT ROCKIT
- > ReachOut Australia
- > Sane Australia
- > The Carly Ryan Foundation
- > Yourtown

Government observers

- > Department of Communications and the Arts
- > Department of Health
- > Department of Education and Training

Appendix 2:**Staffing information**

Appendix 2 contains staffing details for the ACMA and Office of the eSafety Commissioner. Other than the Commissioner, all employees working for the Office remain employed by the ACMA under the *Public Service Act 1999*.

Table A.5: Staff profiles by employment type, gender and location, 2017–18*

Classification	NATIONAL													
	ONGOING						NON-ONGOING							
	Full-time		Part-time		Full-time		Part-time		Full-time		Part-time			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total	
	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18
SES2	3	3	1	1									4	4
SES1	5	6	4	5									9	11
EL 2	22	24	16	20	1	3	2	2	1	1			44	49
Principal Lawyer	6	4	6	4									12	8
EL1	67	68	41	50	2	29	24	24	4	2	6	6	146	155
Senior Lawyer	2	2	4	4	1	2	3	3					9	10
ACMA 6	49	49	47	49	1	21	18	18	7	5	12	12	132	135
Lawyer													0	0
ACMA 5	23	18	9	9		5	3	3	2		2	2	42	33
ACMA 4	3	3	15	22		2	2	2		2	3	3	23	31
ACMA 3						1	1	1					1	1
ACMA 2													0	0
Graduate													0	2
ACMA 1													0	0
TOTAL	180	179	143	164	5	63	53	53	14	10	24	6	422	439

*Substantive classification. Excludes statutory office-holders.

CANBERRA	ONGOING										NON-ONGOING						
	Full-time					Part-time					Full-time			Part-time			
	Male		Female			Male		Female			Male		Female	Male		Female	
	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	Total
SES2	1	1	1	1												2	2
SES1	3	3	1	2												4	5
EL2	9	9	4	5			1									13	15
Principal Lawyer	1	1	1													2	1
EL1	27	27	10	9	1	2	3	5								44	44
Senior Lawyer			2	2												2	2
ACMA 6	13	13	19	17	1	1	2			1	1	1			1	37	33
Lawyer																0	0
ACMA 5	10	7	3	3			1			1						15	10
ACMA 4	2	2	9	15			1	1			2	2		1	1	15	21
ACMA 3																0	0
ACMA 2																0	0
Graduate																0	0
ACMA 1																0	0
TOTAL	66	63	50	54	2	2	7	6	5	3	3	3	3	0	1	134	133

MELBOURNE	ONGOING										NON-ONGOING						
	Full-time		Part-time		Full-time		Part-time		Full-time		Part-time		Full-time		Part-time		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Classification	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	Total
SES 2																	0
SES 1	2	1															3
EL2	9	4	5	1													15
Principal Lawyer	4	2															4
EL1	26	24	12	14	1	13			2		3			1	2	57	
Senior Lawyer	1	2	1	1	1	3										6	
ACMA 6	23	22	13	14	10	10	4	3	1	6				1	1	52	
Lawyer																	0
ACMA 5	5	4	4	4	4	2	1			1			2			16	
ACMA 4	1	1	5	5	1	1				1						7	
ACMA 3																	0
ACMA 2																	0
Graduate																	0
ACMA 1																	0
TOTAL	71	69	41	44	3	35	30	5	5	1	11	0	4	3	160	163	

SYDNEY	ONGOING										NON-ONGOING					
	Full-time		Part-time		Full-time		Part-time		Full-time		Part-time		Total			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18		
Classification																
SES 2	2	2												2	2	
SES 1		2												2	2	
EL2	3	8	10											14	18	
Principal Lawyer	1	5	4											6	5	
EL1	13	18	25											43	50	
Senior Lawyer	1	1												1	2	
ACMA 6	7	14	18											35	37	
Lawyer														0	0	
ACMA 5	2	1	1										1	4	5	
ACMA 4		1	2											1	2	
ACMA 3														1	1	
ACMA 2														0	0	
Graduate														0	0	
ACMA 1														0	0	
TOTAL	29	33	49	63	0	0	20	16	3	1	7	10	0	109	124	

REGIONS [^]	ONGOING						NON-ONGOING						
	Full-time		Part-time		Part-time		Full-time		Part-time		Part-time		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Classification	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	01.07.17	30.06.18	Total
SES 2													0
SES 1													0
EL2	1	1			1								2
Principal Lawyer													0
EL1	1	1	1	2									2
Senior Lawyer													0
ACMA 6	6	7	1			1	1						8
Lawyer													0
ACMA 5	6	5	1	1									7
ACMA 4													0
ACMA 3													0
ACMA 2													0
Graduate													0
ACMA 1													0
TOTAL	14	14	3	3	0	0	1	1	1	0	0	0	19

[^]Includes Parramatta/Lucas Heights, Hobart and Brisbane.

Table A.6: Salary ranges of employees, 30 June 2018

ACMA local designation	Equivalent APS classification	(\$)
ACMA 1.1	APS Level 1	45,203
ACMA 1.2		49,817
ACMA 2.1	APS Level 2	50,813
ACMA 2.2		56,050
ACMA 3.1	APS Level 3	57,741
ACMA 3.2		59,196
ACMA 3.3		62,794
ACMA 4.1	APS Level 4	64,675
ACMA 4.2		66,346
ACMA 4.3		70,302
ACMA 5.1	APS Level 5	72,065
ACMA 5.2		74,187
ACMA 5.3		77,809
ACMA 6.1	APS Level 6	79,427
ACMA 6.2		83,399
ACMA 6.3		89,698
ACMA EL1.1	Executive Level 1	96,511
ACMA EL1.2		101,505
ACMA EL1.3		108,835
ACMA EL2.1	Executive Level 2	116,757
ACMA EL2.2		124,563
ACMA EL2.3		132,349
ACMA EL2.4		138,117
ACMA EL2.5* (Restricted)		141,362
Lawyer/Legal Officer 1.1	APS Level 5	72,065
Lawyer/Legal Officer 1.2	APS Level 5	77,809
Lawyer/Legal Officer 1.3	APS Level 6	79,427
Lawyer/Legal Officer 1.4	APS Level 6	89,698
Snr Lawyer/Legal Officer 2.1	Executive Level 1	96,511
Snr Lawyer/Legal Officer 2.2	Executive Level 1	108,835
Snr Lawyer/Legal Officer 2.3	Executive Level 1	119,820
Principal Lawyer 3.1	Executive Level 2	132,349
Principal Lawyer 3.2	Executive Level 2	138,117
Tech Trainee 1	Trainee APS (Technical)	57,742
Tech Trainee 2	Trainee APS (Technical)	59,196
Tech Trainee 3	Trainee APS (Technical)	62,794
Graduate 1.1	Graduate APS	57,742
Graduate 1.2	Graduate APS	62,794
Graduate 1.3**	APS Level 4	64,675

*Restricted to employees 'grandfathered' from ABA/ACA on this pay point.

**On successful completion of the graduate year, a graduate will be allocated an ACMA 3 (APS Level 3) local designation and immediately advanced to ACMA 4 (APS Level 4).

Abbreviations used in this appendix—SES: Senior Executive Service; EL: Executive Level; APS: Australian Public Service.

Appendix 3:

Programs and content

Table A.7: Programs granted children's or preschool classification, 2017–18

Program title	Style	Type	Origin	Applicant
Children's—C				
<i>Crunch Time</i> (series 2, episodes 1–65)	Live action	Light entertainment—Lifestyle	Australia	Ambience Entertainment Pty Ltd
<i>Get Arty</i> (series 2, episodes 1–65)	Live action	Information	Australia	Seven Network (Operations) Limited
<i>Get Clever</i> (series 1, episodes 1–65)	Live action	Information	Australia	Seven Network (Operations) Limited
<i>Totally Wild</i> (series 25, episodes 1–180)	Live action	Light entertainment—Magazine	Australia	Network Ten Pty Ltd
<i>Wow That's Amazing</i> (series 1, episodes 1–26)	Live action	Light entertainment—Magazine	Australia	Beyond Productions Pty Ltd
<i>Zoomoo</i> (series 2, episodes 1–65)	Live action/animation/puppetry	Light entertainment—Variety	New Zealand	Natural History New Zealand Ltd
Provisional—PRC				
<i>Berry Bees</i> (series 1, episodes 1–52)	Animation	Drama	Australia	SLR Productions Pty Ltd
<i>Netnuts TV</i> (series 1, episodes 1–70)	Live action/puppetry	Light entertainment—Magazine	Australia	Ohboybango Pty Ltd
<i>Quimbo's Quest</i> (series 1, episodes 1–26)	Animation	Drama	New Zealand	Quimbo's Quest Ltd
<i>Space Chickens in Space</i> (series 1, episodes 1–52)	Animation	Drama	Australia	Brain Bender Pty Ltd
Preschool—P—Renewal				
<i>Toybox</i> (series 2, episodes 1–85)	Live action	Variety	Australia	Beyond Entertainment Pty Ltd
Provisional—PRP				
<i>Hi-5</i> (series 18, episodes 596–640)	Live action	Drama	Australia	Hi-5 Australia Pty Ltd
Australian children's drama—CD				
<i>Beat Bugs</i> (series 2, episodes 1–26 and special)	Animation	Drama	Australia	11:11 Creations Pty Ltd
<i>Blinky Bill The Movie</i> (Telemovie)	Animation	Drama	Australia	Blinky Bill Movie Productions Pty Ltd
<i>Kuu Kuu Harajuku</i> (series 3, episodes 19–24)	Animation	Drama	Australia	HJ5 Season 3 Pty Ltd
<i>Kuu Kuu Harajuku</i> (series 3, episodes 25–30)	Animation	Drama	Australia	HJ5 Season 3 Pty Ltd
<i>Kuu Kuu Harajuku</i> (series 3, episodes 31–36)	Animation	Drama	Australia	HJ5 Season 3 Pty Ltd
<i>Kuu Kuu Harajuku</i> (series 3, episodes 37–44)	Animation	Drama	Australia	HJ5 Season 3 Pty Ltd

Program title	Style	Type	Origin	Applicant
<i>Kuu Kuu Harajuku</i> (series 3, episodes 45–52)	Animation	Drama	Australia	HJ5 Season 3 Pty Ltd
<i>Larry the Wonderpup</i> (series 1, episodes 1–18)	Live action/animation	Drama	Australia	Larry Wonderpup Productions Pty Ltd
<i>Motown Magic</i> (series 1, episodes 1–52)	Animation	Drama	Australia	11:11 Creations Pty Ltd
<i>Quimbo's Quest</i> (series 1, episodes 1–52)	Animation	Drama	New Zealand	Quimbo's Quest Ltd
<i>The Bureau of Magical Things</i> (series 1, episodes 1–10)	Live action	Drama	Australia	Jonathan M Shiff Productions Pty Ltd
<i>The Bureau of Magical Things</i> (series 1, episodes 11–20)	Live action	Drama	Australia	Jonathan M Shiff Productions Pty Ltd

Table A.8: Children's television consultants, 2017–18

Name	Expertise
Donna Andrews	Child development/production
Dina Browne	Production
Stephen Measday	Editing/Script-writing
Rita Princi	Child development
Gina Roncoli	Production/Script-writing

Appendix 4:

Broadcasting investigations outcomes

Table A.9: ACMA investigations, 1 July 2017 to 30 June 2018

Investigation number	Station	Program or issue	Substance of complaint/matter	Outcome
Commercial television				
Breach findings: 31				
BI-325	Seven/Channel Seven Adelaide Pty Ltd	<i>Today Tonight</i>	Accuracy—in a current affairs report about an online flower delivery business	Breach of clause 3.3.1 (accuracy and fairness) of the Commercial Television Industry Code of Practice 2015
BI-336	Seven/Channel Seven Melbourne Pty Ltd	<i>Sunrise</i>	Accuracy—in a news segment about shooting licences and complaints handling	Breach of clause 7.3.1 (complaints handling) and no breach of clause 3.3.1 (accuracy) of the Commercial Television Industry Code of Practice 2015
BI-355	WIN/WIN Television Victoria Pty Ltd	<i>Hughsey, We Have a Problem</i>	Classification—coarse language used in a program promotion that was inappropriate for the time of broadcast	Breach of clause 2.1.1 (classification) of the Commercial Television Industry Code of Practice 2015
BI-365	Nine/Broken Hill Television Pty Limited	Licence condition matter	Compliance with Australian content multichannel transmission quota	Breach of paragraph 7(1)(aa) of Schedule 2 to the BSA by failing to comply with section 121G(2) of the BSA, as follows: - did not broadcast at least 1,460 hours of Australian programs in 2017, between 6 am and midnight, on non-primary television broadcasting services*
BI-366	Nine/Spencer Gulf Telecasters Pty Limited	Licence condition matter	Compliance with Australian content multichannel transmission quota	
BI-367	Nine/Tasmanian Digital Television Pty Ltd	Licence condition matter	Compliance with Australian content multichannel transmission quota	
BI-368	Nine/West Digital Television No.2 Pty Ltd	Licence condition matter	Compliance with Australian content multichannel transmission quota	
BI-369	Nine/WIN Television SA Pty Ltd	Licence condition matter	Compliance with Australian content multichannel transmission quota	
BI-370	Nine/WIN Television Griffith Pty Ltd	Licence condition matter	Compliance with Australian content multichannel transmission quota	
BI-371	Nine/Mildura Digital Television Pty Ltd	Licence condition matter	Compliance with Australian content multichannel transmission quota	

Investigation number	Station	Program or issue	Substance of complaint/matter	Outcome
BI-372	Nine/WIN Television SA Pty Ltd	Licence condition matter	Compliance with Australian content multichannel transmission quota	
BI-373	Nine/West Digital Television Pty Ltd	Licence condition matter	Compliance with Australian content multichannel transmission quota	
BI-374	Nine/West Digital Television No.3 Pty Ltd	Licence condition matter	Compliance with Australian content multichannel transmission quota	
BI-375	Nine/West Digital Television No.4 Pty Ltd	Licence condition matter	Compliance with Australian content multichannel transmission quota	
BI-376	Imparja/Imparja Television Pty Ltd	Licence condition matter	Compliance with Australian content multichannel transmission quota	
BI-377	Nine/Southern Cross Communications Pty Limited	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-378	Nine/Australian Capital Television Pty Ltd	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-379	Nine/West Digital Television No.2 Pty Ltd	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-380	Nine/Southern Cross Communications Pty Limited	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-381	Nine/WIN Television SA Pty Ltd	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-382	Nine/WIN Television Griffith Pty Ltd	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-383	Nine/Mildura Digital Television Pty Ltd	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-384	Nine/WIN Television SA Pty Ltd	Licence condition matter	Compliance with Australian content children's drama triennium	

Investigation number	Station	Program or issue	Substance of complaint/matter	Outcome
BI-385	Nine/West Digital Television Pty Ltd	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-386	SVW/WA Satco Pty Ltd	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-387	Nine/Tasmanian Digital Television Pty Ltd	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-388	Nine/Regional Television Pty Limited	<i>Licence condition matter</i>	Compliance with Australian content children's drama triennium	
BI-389	Nine/West Digital Television No.3 Pty Ltd	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-390	Nine/West Digital Television No.4 Pty Ltd	Licence condition matter	Compliance with Australian content children's drama triennium	
BI-391	Southern Cross Ten/Northern Rivers Television Pty Ltd	Licence condition matter	Compliance with Australian content standard	Breach of paragraph 7(1)(b) of Schedule 2 to the BSA by failing to comply with the Australian Content Standard, as follows: <ul style="list-style-type: none"> - did not broadcast sufficient first-release Australian drama to meet the pro-rata points for the part year in 2017 (section 10(2A) of the ACS) - did not broadcast sufficient first-release Australian C drama in 2017 to meet the pro-rata hours for the part year in 2017 (section 12(2A) of the ACS)*
BI-392	Southern Cross Ten/Network Investments Pty Ltd	Licence condition matter	Compliance with Australian content standard	Breach of paragraph 7(1)(b) of Schedule 2 to the BSA by failing to comply with the Australian Content Standard, as follows: <ul style="list-style-type: none"> - did not broadcast sufficient first-release Australian documentary programs to meet the pro-rata hours for the part year in 2017 (section 16(2) of the ACS)*

*Investigation against a licence condition, standard or provision of the *Broadcasting Services Act 1992*.

Investigation number	Station	Program or issue	Substance of complaint/matter	Outcome
No breach findings: 12				
BI-333	Nine/Swan Television & Radio Broadcasters Pty Ltd	Political matter – <i>Emily's Voice 'notbornyet'</i> campaign advertisement	Political matter – required particulars	No breach of subclause 4(2) (identification of political matter) or paragraph 7(1)(j) (comply with clause 4) of Schedule 2 to the <i>Broadcasting Services Act 1992</i> *
BI-334	Ten/Network Ten (Sydney) Pty Limited	<i>The Bachelor</i>	Material not suitable for broadcast – offensive and derogatory comments based on religion	No breach of clause 2.6.2 (intense dislike, serious contempt or severe ridicule on the basis of religion) of the Commercial Television Industry Code of Practice 2015
BI-340	Eleven/WIN Television QLD Pty Ltd	<i>Malcolm in the Middle</i>	Classification – a PG classified program included content unsuitable for broadcast	No breach of clause 2.1.1 (classification) of the Commercial Television Industry Code of Practice 2015
BI-341	Ten/Network Ten (Melbourne) Pty Limited	Advertisement for the <i>Coalition for Marriage</i>	Classification – an advertisement was broadcast at a time that was unsuitable for viewing by children	No breach of clause 2.1.1 (classification) of the Commercial Television Industry Code of Practice 2015
BI-342	Seven/Channel Seven Sydney Pty Limited	<i>Seven News Update</i>	Classification, exercise care and material which may cause distress – a report showing footage of an image of skeletal remains	No breach of clause 2.3.3 (exercise care in selecting material for broadcast) and clause 3.2.1 (material which may cause distress) of the Commercial Television Industry Code of Practice 2015
BI-346	WIN/WIN Television NSW Pty Limited	<i>Ten Eyewitness News</i>	Impartiality – in a news report about bank profits and proposed job cuts	No breach of clause 3.4.1 (impartiality) of the Commercial Television Industry Code of Practice 2015
BI-348	Ten/Network Ten (Melbourne) Pty Limited	<i>Ten Eyewitness News</i>	Material which may cause distress – in a news report involving a motorbike accident	No breach of clause 3.2.1(e) (have regard to the feelings of relatives and viewers) of the Commercial Television Industry Code of Practice 2015
BI-354	Nine/TCN Channel Nine Pty Ltd	<i>Married at First Sight</i>	Classification and material which may cause distress – in an advertisement for a reality television show	No breach of clauses 2.1.1 (classification), 2.4.1 (classification of non-program material broadcast during sports programs) or 2.6.2 (provoke or perpetuate intense dislike, serious contempt or severe ridicule on the grounds of gender) of the Commercial Television Industry Code of Practice 2015
*Investigation against a licence condition, standard or provision of the <i>Broadcasting Services Act 1992</i> .				

Investigation number	Station	Program or issue	Substance of complaint/matter	Outcome
BI-356	Seven/Channel Seven Sydney Pty Limited	Commercial for <i>Lottoland</i> during a live sporting event	Commercials relating to betting or gambling during a live sporting event—must not mislead or deceive and are not permitted during play	No breach of subclause VIII(b) (gambling commercials—must not mislead or deceive) or clause X (gambling commercials—not permitted during play) of Appendix 3 to the Commercial Television Industry Code of Practice 2015
BI-358	Nine/Channel 9 South Australia Pty Limited	<i>Underbelly Files: Chopper</i> program promotion	Classification—scheduling of a program promotion for an MA15+ classified mini-series	No breach of clause 2.1.1 (classification) of the Commercial Television Industry Code of Practice 2015
BI-361	WIN/WIN Television TAS Pty Ltd	Election <i>Advertisement</i>	Election advertising—broadcast of advertisements for election candidates during the 'blackout period'	No breach of subclause 3A(2) (broadcast of election advertisement) or paragraph 7(1)(j) (comply with clause 3A) of Schedule 2 to the <i>Broadcasting Services Act 1992</i> *
BI-403	Seven/Channel Seven Perth Pty Ltd	<i>Today Tonight</i>	Accuracy and fairness—in a current affairs report about damage to council property	No breach of clause 3.3.1 (accuracy and fairness) of the Commercial Television Industry Code of Practice 2015
*Investigation against a licence condition, standard or provision of the <i>Broadcasting Services Act 1992</i> .				
ABC television				
Breach findings: 2				
BI-305	ABC/Australian Broadcasting Corporation	<i>ABC News</i>	Accuracy, impartiality, opportunity to respond and attribution of information—in a news report about historical child sexual abuse allegations	Breach of standard 4.1 (due impartiality) and no breach of standards 2.1 (accuracy), 5.3 (opportunity to respond) or 5.4 (attribution of information) of the ABC Code of Practice 2011 (revised in 2016)
BI-347	ABC/Australian Broadcasting Corporation	<i>ABC News</i>	Impartiality—in a news report on former prime minister Tony Abbott's address to the Global Warming Policy Foundation	Breach of standard 4.1 (due impartiality) of the ABC Code of Practice 2011 (revised in 2016)
No breach findings: 11				
BI-319	ABC/Australian Broadcasting Corporation	<i>7.30</i>	Accuracy, impartiality and opportunity to respond—in a news report about charity fundraisers	No breach of standards 2.1 (accuracy), 4.1 (due impartiality) or 5.3 (opportunity to respond) of the ABC Code of Practice 2011 (revised in 2016)
BI-324	ABC/Australian Broadcasting Corporation	<i>The Mix</i>	Harm and offence—in a program that broadcast depictions of violence	No breach of standards 7.1 (harm and offence) or 7.2 (warnings or advice) of the ABC Code of Practice 2011 (revised in 2016)

Investigation number	Station	Program or issue	Substance of complaint/matter	Outcome
BI-329	ABC/Australian Broadcasting Corporation	7.30	Accuracy, corrections, opportunity to respond—in a report about Aerocare Pty Ltd titled 'Airport workers speak out about poor work conditions'	No breach of standards 2.1 (accuracy), 3.1 (corrections and clarifications), or 5.3 (opportunity to respond) of the ABC Code of Practice 2011 (revised in 2016)
BI-330	ABC/Australian Broadcasting Corporation	7.30	Accuracy, corrections, impartiality, opportunity to respond—in a report about Aerocare Pty Ltd titled 'Claims that employee fatigue at Aerocare is leading to accidents'	No breach of standards 2.1 (accuracy), 2.2 (not mislead), 3.1 (corrections and clarifications), 4.1 (due impartiality), 4.5 (unduly favour one perspective), or 5.3 (opportunity to respond) of the ABC Code of Practice 2011 (revised in 2016)
BI-343	ABC/Australian Broadcasting Corporation	<i>ABC News at Noon</i>	Harm and offence—in a news report that broadcast details about a victim of a terrorist attack	No breach of standard 7.5 (handle with extreme sensitivity) of the ABC Code of Practice 2011 (revised in 2016)
BI-349	ABC/Australian Broadcasting Corporation	<i>Hard Quiz</i>	Harm and offence—in a comedy quiz program that contained an offensive remark that was inappropriate for the PG classification	No breach of standards 7.1 (harm and offence) or 7.3 (classification) of the ABC Code of Practice 2011 (revised in 2016)
BI-351	ABC/Australian Broadcasting Corporation	<i>Get CrackIn</i>	Harm and offence—offensive material in a sketch about reconciliation and in an in-program promotion in a comedy series	No breach of standards 7.1 (harm and offence) or 7.7 (condone or encourage prejudice) of the ABC Code of Practice 2011 (revised in 2016)
BI-352	ABC/Australian Broadcasting Corporation	<i>Hard Quiz</i>	Harm and offence—in a comedy quiz program that contained an offensive remark that was inappropriate for the PG classification	No breach of standards 7.1 (harm and offence) or 7.3 (classification) of the ABC Code of Practice 2011 (revised in 2016)
BI-396	ABC/Australian Broadcasting Corporation	<i>ABC News</i>	Impartiality—in a news report on the upcoming South Australian state election	No breach of standard 4.1 (due impartiality) of the ABC Code of practice 2011 (revised in 2016)

Investigation number	Station	Program or issue	Substance of complaint/matter	Outcome
BI-397	ABC/Australian Broadcasting Corporation	<i>Behind the News</i>	Harm and offence—manage and minimise risks to children and young people in a news report about the Sydney Gay and Lesbian Mardi Gras Parade	No breach of standards 7.1 (harm and offence), 8.3 (manage risks to children) or 8.4 (minimise risks to children) of the ABC Code of Practice 2011 (revised in 2016)
BI-398	ABC/Australian Broadcasting Corporation	Program promotion for <i>Mardi Gras and Me</i>	Harm and offence—manage and minimise risks to children and young people in a program promotion for a program concerning the Sydney Gay and Lesbian Mardi Gras Parade	No breach of standards 7.1 (harm and offence). 8.3 (manage risks to children) or 8.4 (minimise risks to children) of the ABC Code of Practice 2011 (revised in 2016)
SBS television				
No breach findings: 1				
BI-360	SBS/Special Broadcasting Service	<i>SBS World News</i>	Accuracy and impartiality—in a news report about alleged discrimination against Melbourne's South Sudanese community	No breach of code 2.2 (accuracy, impartiality and balance) of the SBS Codes of Practice 2014 (revised 2016)
Subscription television				
No breach findings: 2				
BI-322	Sky News Live/ Foxtel Cable Television Pty Limited	<i>The Morning Shift</i>	Material likely to cause distress and warnings—in a report containing footage of the 'Facebook Live killing'	No breach of clause 2.2(b)(ii) (cause some distress) or 2.2(b)(iv) (warnings for material that may seriously distress or seriously offend) of the Subscription Broadcast Television Codes of Practice 2013
BI-350	Foxtel Cable Television Pty Limited	<i>Love Actually</i>	Classification—classified film not suitably classified	No breach of code 3.1 (television classification) of the Subscription Broadcast Television Codes of Practice 2013

Investigation number	Station	Program or issue	Substance of complaint/matter	Outcome
Commercial radio				
Breach findings: 2				
BI-335	7HOFM/ Commercial Broadcasters Proprietary Limited	Election advertisement	Political matter advertisements—announcements immediately following three broadcasts of political matter did not contain the correct 'required particulars'	Breaches of subclause 4(2) (identification of certain political matter) and paragraph 7(1)(j) (comply with clause 4) of Schedule 2 to the <i>Broadcasting Services Act 1992</i> *
BI-362	2LT/Midwest Radio Pty Ltd	Licence condition matter	Local content and minimum service standard—compliance with obligations for regional radio licensees	Breaches of paragraph 8(2)(c) of Schedule 2 to the BSA (standard conditions of commercial radio broadcasting licences) Failure to comply with section 61CD(1)(a) BSA (minimum service standards for local news and information) Failure to comply with section 61CP BSA (compliance with approved local content plan)*
*Investigation against a licence condition, standard or provision of the <i>Broadcasting Services Act 1992</i> .				
No breach findings: 3				
BI-326	KIIS 101.1/ Double T Radio Pty Ltd	<i>Matt & Meshel in the Morning</i>	Proscribed matter—in a prank call segment containing coarse language at a time when children might be listening	No breach of 2.2 (generally accepted standards of decency) of the Commercial Radio Code of Practice 2017
BI-331	Nova 100.3/ Nova 100 Pty Ltd	<i>Chrissie, Sam & Brownny</i>	Decency, audio of actual sexual acts and feature program with an explicit sexual theme—in a breakfast radio segment about the relationship between a co-host and his wife	No breach of 2.2 (generally accepted standards of decency), 2.3 (audio of actual sexual acts) or 2.4 (feature program with an explicit sexual theme) of the Commercial Radio Code of Practice 2017
BI-344	KIIS 1065/ Commonwealth Broadcasting Corporation Pty Ltd	<i>Kyle & Jackie O</i>	Decency—in a breakfast radio segment that included comments about people with cancer	No breach of 2.2 (offend generally accepted standards of decency) of the Commercial Radio Code of Practice 2017

Investigation number	Station	Program or issue	Substance of complaint/matter	Outcome
ABC radio				
No breach findings: 1				
BI-338	ABC/Australian Broadcasting Corporation	<i>Triple J News Update</i>	Accuracy and impartiality—in a news report about a hepatitis outbreak in which gay men were identified as at risk	No breach of standards 2.1 (accuracy), 2.2 (materially mislead) or 4.1 (due impartiality) of the ABC Code of Practice 2011 (revised in 2016)
Community radio				
Breach findings: 4				
BI-327	88.9 Hills Radio/ Hills Radio Incorporated	Code matter	Requirement to have policies under the codes, policies to be freely available and complaints handling	Breach of Code 1.4 (membership policy) and Code 2.4 (policies will be freely available) No breach of Code 1.5 (internal conflict policy), Code 2.3 (volunteer policy), Code 6.1 (sponsorship policy) and Code 7.3(b) (complaints will be conscientiously considered and responded to as soon as possible) of the Community Radio Broadcasting Codes of Practice 2008
BI-332	6RTR/RTRFM 92.1 Ltd	Licence condition matter	Broadcast advertisements and exceeding sponsorship time limit during <i>Drivetime</i>	Breach of paragraph 9(1)(b) (prohibition on broadcast of advertisements) and no breach of paragraph 9(3)(b) (time limit for sponsorship announcements) of Schedule 2 to the <i>Broadcasting Services Act 1992</i> *
BI-339	TYGA FM/ Derwent Valley Community Radio Inc	Licence condition matter	Broadcast advertisements during <i>Top 40 Country</i>	Breach of paragraph 9(1)(b) (prohibition on broadcast of advertisements) of Schedule 2 to the <i>Broadcasting Services Act 1992</i> *
BI-364	4ZZZ/Creative Broadcasters Ltd	Political matter—community service announcement (CSA) for Refugees Welcome Australia Inc. and a 4ZZZ station identification message	Political matter—required particulars immediately following the broadcast of political matter	Breach of subclause 4(2) (CSA – identification of certain political matter) and paragraph 9(1)(i) (comply with subclause 4(2)) of Schedule 2 to the <i>Broadcasting Services Act 1992</i> *
*Investigation against a licence condition, standard or provision of the <i>Broadcasting Services Act 1992</i> .				

Investigation number	Station	Program or issue	Substance of complaint/matter	Outcome
No breach findings: 5				
BI-314	2BCB/Bathurst Christian Broadcasters Incorporated	Code matter	Policies to be freely available and complaints handling	No breach of Code 2.4 (policies will be freely available) or Code 7.3(b) (complaints will be conscientiously considered and responded to as soon as possible) of the Community Radio Broadcasting Codes of Practice 2008
BI-337	4SFM/Sunshine FM Radio Association Incorporated	Licence condition matter	Representing community interest, encouraging participation in selection of programs	No breach of paragraph 9(2)(b) (representing community interest) or 9(2)(c)(ii) (encouraging participation in selection of programs) of Schedule 2 to the <i>Broadcasting Services Act 1992</i> *
BI-399	4RED/Moreton Media Group Inc	Licence condition matter	Broadcast advertisements and exceeding sponsorship time limit during <i>The Hump</i>	No breach of paragraph 9(1)(b) (prohibition on broadcast of advertisements) or paragraph 9(3)(b) (time limit for sponsorship announcements) of Schedule 2 of the <i>Broadcasting Services Act 1992</i> *
BI-401	4RED/Moreton Media Group Inc	Licence condition matter	Broadcast advertisements and exceeding sponsorship time limit during <i>The Buzz</i>	No breach of paragraph 9(1)(b) (prohibition on broadcast of advertisements) or paragraph 9(3)(b) (time limit for sponsorship announcements) of Schedule 2 of the <i>Broadcasting Services Act 1992</i> *
BI-404	101.3/ Tweed Coast Community Radio Inc.	Licence condition matter	Broadcast advertisements for businesses	No breach of paragraph 9(1)(b) (prohibition on broadcast of advertisements) of Schedule 2 to the <i>Broadcasting Services Act 1992</i> *
*Investigation against a licence condition, standard or provision of the <i>Broadcasting Services Act 1992</i> .				

Appendix 5:

Telecommunications consumer protection compliance and enforcement outcomes

Table A.10 includes information related to the ACMA's requirement under paragraph 57(e) of the *ACMA Act 2005* to report on Part 6 of the *Telecommunications Act 1997*.

Table A.10: ACMA formal warnings, directions and infringement notices, 1 July 2017 to 30 June 2018

Entity	Regulation	Subject matter	Outcome
Globalig Australia Pty Ltd	Telecommunications Consumer Protection (TCP) Code	Chapter 9: Code Compliance and Monitoring Clause 9.4 (providing compliance statements to Communications Compliance)	Direction
ReddeNet Pty Ltd	TCP Code	Chapter 9: Code Compliance and Monitoring Clause 9.4 (providing compliance statements to Communications Compliance)	Direction
Southern Phone Company Ltd	TCP Code	Chapter 9: Code Compliance and Monitoring Clause 9.4 (providing compliance statements to Communications Compliance)	Direction
iTalk BB Australia Pty Ltd	TCP Code	Chapter 5: Billing Clause 5.7 (Direct Debit) Chapter 8: Complaint Handling Clauses 8.1 (Provision of a complaint handling process that is accessible, transparent and free of charge) and 8.4 (Record Keeping)	Direction
Crunch Tel Pty Ltd	TCP Code	Chapter 7: Changing Suppliers Clauses 7.1 (Obtaining consent), 7.2.2 (Process and information requirements for Transfers), 7.3 (Transfer validation), 7.4 (Consumers to be kept informed), 7.5.1(a) (Notification of completion of a Transfer) and 7.6 (Keeping records regarding Transfers)	Formal warning
FuzeNet Pty Ltd	TCP Code	Chapter 8: Complaint Handling Clauses 8.1.1(c) (Provision of a complaint handling process that is accessible, transparent and free of charge), 8.2 (Complaint management) and 8.4 (Record Keeping)	Formal warning
Your Call Telecom Pty Ltd	TCP Code	Chapter 4: Consumer Sales, Service and Contracts Clause 4.1.1(d) (having a readily accessible summary of offers on a website)	Formal warning
EHW Technology Pty Ltd	TCP Code	Chapter 4: Consumer Sales, Service and Contracts Clause 4.1.1(d) (having a readily accessible summary of offers on a website)	Formal warning

Entity	Regulation	Subject matter	Outcome
Easy Internet Services Pty Ltd	TCP Code	Chapter 4: Consumer Sales, Service and Contracts Clause 4.1.1(d) (having a readily accessible summary of offers on a website)	Formal warning
Central Connect (NSW) Pty Ltd	TCP Code	Chapter 9: Code Compliance and Monitoring Clause 9.4 (providing compliance statements to Communications Compliance)	Formal warning
BMP Australia Group Pty Ltd	TCP Code	Chapter 9: Code Compliance and Monitoring Clause 9.4 (providing compliance statements to Communications Compliance)	Formal warning
Vostronet Enterprises Pty Ltd	TCP Code	Chapter 9: Code Compliance and Monitoring Clause 9.4 (providing compliance statements to Communications Compliance)	Formal warning
Lynham Networks Pty Ltd	TCP Code	Chapter 9: Code Compliance and Monitoring Clause 9.4 (providing compliance statements to Communications Compliance)	Formal warning

Appendix 6:

Disclosures of information

Customer information provided to telecommunications carriers and CSPs is protected under Part 13 of the *Telecommunications Act 1997*. Carriers and CSPs are prohibited from disclosing that information to other parties—except in limited circumstances—and are required to report specific disclosures to the ACMA under section 308 of the *Telecommunications Act*.

The ACMA is required under paragraph 57(2)(f) of the *ACMA Act* to include in its annual report information on disclosures of customer information made by carriers and CSPs during the reporting year. The disclosures made under Part 13 of the *Telecommunications Act* by carriers and CSPs during 2017–18 are set out in Table A.11.

Table A.11: Disclosures made under Part 13 of the *Telecommunications Act 1997*—by carriers and CSPs

Reason for disclosure	(Sub)section	Number of disclosures, 2017–18
Under the <i>Telecommunications Act 1997</i>		
Authorised by or under law	280	11,976
Made as a witness under summons	281	520
To assist the ACMA	284(1)	248,913
To assist the eSafety Commissioner	284(1A)	0
To assist the ACCC	284(2)	9
To assist the TIO	284(3)	55,843
Calls to emergency service number	286	17,305
To avert a threat to a person's life or health	287	17,014
Communications for maritime purposes	288	1
With the knowledge or consent of the person concerned	289	1,353,545
In circumstances prescribed in the <i>Telecommunications Regulations 2001</i>	292	0
Under the <i>Telecommunications (Interception and Access Act) 1979</i>		
Voluntary disclosure	177	327
Authorisations for access to existing information or documents—enforcement of the criminal law	178	482,800
Authorisations for access to existing information or documents—locating missing persons	178A	3,602
Authorisations for access to existing information or documents—enforcement of a law imposing pecuniary penalty or protection of the public revenue	179	1,005
Authorisations for access to prospective information or documents	180	75,794
Enforcement of the criminal law of a foreign country (existing information)	180A	138
Enforcement of the criminal law of a foreign country (prospective information)	180B	4
Total		2,268,796

Source: *Carriers and carriage service providers*.

Part 13 of the Telecommunications Act allows information contained in the IPND to be disclosed for the testing and operation of telephone-based emergency warning systems by state and territory governments. The number and type of disclosures made under subsections 295V(1) or 295V(2) of the Telecommunications Act in 2017–18, as reported to the ACMA under section 295ZC of the Telecommunications Act, are set out in Table A.12.

Table A.12: Disclosures made under Part 13 of the *Telecommunications Act 1997*—by emergency management persons (EMP) for telephone-based emergency warning systems

Reason for disclosure	(Sub)section of Act	Number of disclosures, 2017–18
Likely emergency	295V(1)	0
Actual emergency	295V(2)	1,539
Total		1,539

Appendix 7:

Lawful disruption of access to online services by government agencies

Australian Government agencies are required to follow the *Guidelines for the use of section 313(3) of the Telecommunications Act 1997 by government agencies for the lawful disruption of access to online services* if they rely on section 313(3) of the Telecommunications Act to disrupt access to online services. State and territory agencies are encouraged to follow the guidelines. Agencies should limit the use of section 313(3) in disrupting services to cases involving serious criminal or civil offences, or threats to national security.

The guidelines require agencies to report to the ACMA on the use of section 313(3) to disrupt online services and for this statistical information to be included in the ACMA's annual report.

The use of section 313(3) of the Telecommunications Act to disrupt online services by agencies during 2017–18 are set out in tables A.13 and A.14. The ACMA notes that no Commonwealth, state or territory government agency reported that it had used subsection 313(3) of the Telecommunications Act to disrupt access to online services during the 2017–18 reporting year. However, a number of agencies reported that they are in the process of developing or finalising policies in order to be able to do so in the future.

Table A.13: Requests to disrupt online services under section 313(3) of the *Telecommunications Act 1997*—by agencies

Reason for requests to disrupt services under section 313(3)	(Sub)section	Number of requests 2017–18
Enforcing the criminal law and laws imposing pecuniary penalties	313(3)(c)	0
Assisting the enforcement of the criminal laws in force in a foreign country	313(3)(ca)	0
Protecting the public revenue	313(3)(d)	0
Safeguarding national security	313(3)(e)	0
Total number of disruption requests		

Source: Government agencies.

Table A.14: Online services blocked under section 313(3) of the *Telecommunications Act 1997*—by agencies

Reason for online services blocked under section 313(3)	(Sub)section	Number of services blocked 2017–18
Enforcing the criminal law and laws imposing pecuniary penalties	313(3)(c)	0
Assisting the enforcement of the criminal laws in force in a foreign country	313(3)(ca)	0
Protecting the public revenue	313(3)(d)	0
Safeguarding national security	313(3)(e)	0
Total number of online services blocked		

Source: Government agencies.

Appendix 8:

Consultancies, advertising expenditure and competitive tendering

This appendix contains information for both the ACMA and the Office of the eSafety Commissioner.

The ACMA and the Office of the eSafety Commissioner engage consultants to provide specialised services when the capability or capacity to perform these in-house is not available, or where there is a requirement for independent advice.

The policy for selecting and engaging consultants is in accordance with the *Commonwealth Procurement Rules* and is based on the core principle of achieving value for money. The majority of consultants were engaged following an open approach to market and use of panel arrangements. The main categories for consultancies in 2017–18 were legal advice, research and audit.

During 2017–18, 68 new consultancy contracts were entered into, involving total actual expenditure of \$2,783,350. In addition, 17 ongoing consultancy contracts were active during the period, involving total actual expenditure of \$670,600.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is also available on the AusTender website at tenders.gov.au.

Table A.15: Expenditure on consultancy contracts, 2015–16 to 2017–18

Year	New consultancies	Continued consultancies
2015–16	\$1,282,869	\$185,828
2016–17	\$2,256,924	\$528,156
2017–18	\$2,783,350	\$670,600

Table A.16: Expenditure on media advertising organisations, 2017–18

Organisation name	Purpose	Amount of payment
Dentsu Mitchell Media	Public notices and general advertising	\$40,565
Product Review	General advertising	\$472
True Colours	General advertising	\$1,925
CBS Interactive	General advertising	\$2,000
Australian Associated Press	General advertising	\$391
DreamJobs	General advertising	\$1,656
Facebook Ireland	General advertising	\$32,918
Google advertising	General advertising	\$5,360
Infiniti Telecommunication	General advertising	\$61
LinkedIn	General advertising	\$5,588
Mitchell Communication	General advertising	\$152
Twitter online ads	General advertising	\$3,714
Westwick Farrow	General advertising	\$3,630
CCH Australia	General advertising	\$3,543
Civic Guides Media	General advertising	\$11,220
Easy Signs Pty Ltd	General advertising	\$109
Enva to Market	General advertising	\$30
Radio Release Pty Ltd	General advertising	\$1,325
Snap Geofilters	General advertising	\$299
Total		\$114,958

Table A.17: Expenditure on market research organisations, 2017–18

Organisation name	Purpose	Amount of payment
University of NSW	Advice on price-based allocation capability	\$2,000
Open Mind Pty Ltd	Qualitative research into local content	\$7,885
Galaxy Research	Triple Zero consumer research	\$18,343
Colmar Brunton	NBN consumer experience research 2017	\$388,603
Andrews Group	Research on unsolicited communications	\$49,796
Social Research Centre	Unsolicited communications consumer research	\$199,841
University of NSW	Survey report on gambling trends	\$88,946
Social Research Centre	ACMA annual consumer survey	\$122,312
Woolcott Research & Engagement	Customer Service Centre survey 2018	\$13,750
Colmar Brunton	NBN consumer experience qualitative research	\$21,933
Spark International Student services	Report on live streaming of sport and consumption trends	\$4,400
Sally Gainsbury	Market study of offshore interactive gambling services desktop research	\$3,300
IPSOS Australia	Qualitative and quantitative research for seniors online	\$280,500
Bastion Insights	Youth digital participation survey 2017	\$128,893
Social Research Centre	Indigenous and eSafety research	\$20,310
Social Research Centre	Research on CALD women's experience of tech abuse	\$70,126
Little Triggers	Be Connected research phase 2	\$69,740
Total		\$1,490,678

Advertising

During the reporting period, advertising was placed for a range of purposes, including public notices and legal notices. No advertising campaigns were conducted during the reporting period.

Expenditure on advertising in 2017–18 was \$114,958 (see Table A.16).

Competitive tendering

No contracts have been let for the delivery of government activities previously performed by a Commonwealth agency.

Access by Auditor-General

No contracts have been let that prevent access by the Auditor-General.

Exemptions from reporting of Commonwealth contracts

No exemptions have been sought or granted for the non-reporting of Commonwealth contracts on AusTender.

Appendix 9:

Outcome table

This appendix contains information for both the ACMA and the Office of the eSafety Commissioner and shows how much was spent (on an accrual basis) on achieving the outcome by funding source.

Outcome 1: A communications and media environment that balances the needs of the industry and the Australian community through regulation, education and advice

	Budget ¹ (1) \$'000	Actual ² (2) \$'000	Variance (2) minus (1) \$'000
Program 1.1: Communications regulation, planning and licensing			
Departmental items			
Departmental appropriations	37,296	38,305	1,009
Revenues from independent sources	3,026	3,371	345
Administered items			
<i>Special Appropriation Act—Public Governance, Performance and Accountability Act 2013-s77</i>	4,800	6,700	1,900
<i>Services for Other Entities and Trusts Money-s20 FMA Act Det 2012/13</i>	50	0	(50)
Subtotal for Program 1.1	45,172	48,376	3,204
Program 1.2: Consumer safeguards, education and information			
Departmental items			
Departmental appropriations	33,103	33,172	69
Revenues from independent sources	424	90	(334)
Administered items:			-
<i>Telecommunication Act 1997—s. 136C(4) reimbursement of costs of developing consumer-industry code</i>	300	0	(300)
Subtotal for Program 1.2	33,827	33,262	(565)
Program 1.3: Office of the eSafety Commissioner			
Departmental items			
Departmental appropriations	10,621	10,621	(0)
Revenues from independent sources	0	583	583
Administered items			
Non-appropriation receipts	6,702	7,199	497
Subtotal for Program 1.3	17,323	18,403	1,080
Departmental	84,470	86,141	1,671
Administered	11,852	13,899	2,047
Total for Outcome 1	96,322	100,041	3,719
Average staffing level	418	396	

Notes

¹ Budget represents the original budget per the 2017–18 Portfolio Budget Statements.

² Actual appropriations is the total available appropriation in 2017–18, including MYEFO budget adjustments.

Appendix 10:

Agency resource statement

This appendix contains information for both the ACMA and the Office of the eSafety Commissioner.

	Actual available appropriations for 2017–18 \$'000 (a)	Payments made 2017–18 \$'000 (b)	Balance remaining \$'000 (a–b)
Departmental			
Prior year appropriations available	20,312	(20,312)	0
Quarantined prior year appropriations no longer available			
Departmental appropriation	78,376	(56,660)	21,716
Departmental appropriation (DCB)	7,142	(6,558)	584
S. 74 relevant agency receipts	-	-	-
Equity injections	50	-	50
Total departmental appropriations	105,880	(83,530)	22,350
Administered			
<i>Public Governance, Performance and Accountability Act 2013—s. 77—Repayments</i>			
Administered appropriation	6,700	(6,700)	0
<i>Telecommunication Act 1997—s. 136C(4) reimbursement of costs of developing consumer-industry code</i>			
Special appropriation	300	-	300
Total administered appropriations	7,000	(6,700)	300
Special Accounts			
<i>Services for Other Entities and Trusts Money—s. 20 FMA Act Det 2012/13</i>			
Prior year Non-appropriations receipts	195	(155)	40
<i>Special Account by Act—Online Safety Special Account (s. 72 Enhancing Online Safety for Children Act 2015)</i>			
Prior year departmental appropriations available	5,112	(5,112)	-
Departmental appropriations	10,621	(8,768)	1,853
Administered appropriations	8,646	(5,756)	2,889
Non-appropriations receipts to special accounts	100	0	100
Total special accounts	24,674	(19,791)	4,882
Total resourcing	137,554	(110,021)	27,532

Appendix 11:

Office of the eSafety Commissioner financial reporting

Financial information on the operation of the Office of the eSafety Commissioner, presented in accordance with subsection 57(aa) of the ACMA Act.

Departmental expenditure summary for the financial year ended 30 June 2018		
	2018 \$'000	2017 \$'000
Operating expenditure		
Employee benefits	6,072	5,025
Supplier expenses		
Consultants	288	746
Contractor and labour costs	2,308	1,983
Outsourced services	3,267	594
Stationery and publications	109	110
Legal costs	39	13
Occupancy costs	–	–
IT and communications services	79	231
Travel costs	386	355
Other	750	2,858
Total supplier expenses	7,226	6,890
Total operating expenditure	13,298	11,915
Capital expenditure		
Internally developed software	0	0
Total capital expenses	0	0
Total departmental expenditure	13,298	11,915
Administered expenditure summary for the financial year ended 30 June 2018		
	2018 \$'000	2017 \$'000
Supplier expenses		
Consultants	1,229	81
Contractor and labour costs	3,321	945
Outsourced services	1,463	182
Stationery and publications	12	1
Legal costs	6	22
Occupancy costs	–	–
IT and communications services	1,035	10
Travel costs	82	21
Other	51	11
Total supplier expenses	7,199	1,273
Total administered expenditure	7,199	1,273

Appendix 12:

List of requirements

Requirements for annual reports

Schedule 2 of the Public Governance, Performance and Accountability Rule 2014

PGPA Rule reference	Part of report	Description	ACMA page reference	OeSC page reference
17AD(g)	Letter of transmittal			
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the <i>Public Governance, Performance and Accountability Act 2013</i> (the Act) and any enabling legislation that specifies additional requirements in relation to the annual report	9	n/a
17AD(h)	Aids to access			
17AJ(a)		Table of contents	i, 10, 145, 161	i, 108, 145, 161
17AJ(b)		Alphabetical index	252	252
17AJ(c)		Glossary of abbreviations and acronyms	245	245
17AJ(d)		List of requirements	196	196
17AJ(e)		Details of contact officer	8	106
17AJ(f)		Entity's website address	2	3
17AJ(g)		Electronic address of report	8	106
17AD(a)	Review by accountable authority			
17AD(a)		Review by the accountable authority of the entity	15	111
17AD(b)	Overview of the entity			
17AE(1)(a)(i)		Role and functions	21	117
17AE(1)(a)(ii)		Organisational structure	25	118
17AE(1)(a)(iii)		Outcome and program structure	27	27, 121
17AE(1)(a)(iv)		Purpose (as included in corporate plan)	29	n/a
17AE(1)(b)		An outline of the structure of the portfolio of the entity	n/a	n/a
17AE(2)		Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, including details of variations and reasons for change	n/a	n/a

PGPA Rule reference	Part of report	Description	ACMA page reference	OeSC page reference
17AD(c)	Report on performance			
	Annual Performance Statement			
17AD(c)(i); 16F		Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	28–46	n/a
17AD(c)(iii)	Report on financial performance			
17AF(1)(a)		Discussion and analysis of entity's financial performance	39, 146, 157–158, 204–244	140, 157–158, 195
17AF(1)(b)		Tabular summary of total resources and total payments	194	194
17AF(2)		Significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter of circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	213	213
17AD(d)	Management and accountability			
	Corporate governance			
17AG(2)(a)		Compliance with section 10 (fraud systems)	9, 152	140, 152
17AG(2)(b)(i)		Certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	9	9
17AG(2)(b)(ii)		Certification by the accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meets the specific needs of the entity are in place	9	9
17AG(2)(b)(iii)		Certification by the accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	9	9
17AG(2)(c)		Outline of the structures and processes in place for the entity to implement principles and objectives of corporate governance	25, 151–159, 162	118, 151–159, 162

PGPA Rule reference	Part of report	Description	ACMA page reference	OeSC page reference
17AG(2)(d)– (e)		Statement of significant issues reported to the minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance	151	151
External scrutiny				
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to this scrutiny	153	n/a
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	153	n/a
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman	153	n/a
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period	n/a	n/a
Management of human resources				
17AG(4)(a)		Assessment of the entities effectiveness in managing and developing employees to achieve entity objectives	153, 157	153, 157
17AG(4)(b)		Statistics on APS employees (ongoing and non-ongoing) including: > classification level > full-time and part-time employees > gender > staff location > those who identify as Indigenous	153–155, 167	153–155, 167
17AG(4)(c)		Information on enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	153–154	153–154

PGPA Rule reference	Part of report	Description	ACMA page reference	OeSC page reference
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AD(4)(c)	153	153
17AG(4)(c)(ii)		Salary ranges for APS employees by classification level	173	173
17AG(4)(c)(iii)		Description of non-salary benefits for employees	154	154
17AG(4)(d)(i)		Number of employees at each classification level who received performance pay	154	154
17AG(4)(d)(ii)		Aggregate amounts of performance pay at each classification level	154	154
17AG(4)(d)(iii)		Average amount of performance payment, and range of such payments, at each classification level	154	154
17AG(4)(d)(iv)		Aggregate amount of performance payments	154	154
Assets management				
17AG(5)		Assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	158	158
Purchasing				
17AG(6)		Assessment of entity performance against the Commonwealth Procurement Rules	40, 158	40, 158
Consultants				
17AG(7)(a)		A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST)	191	191

PGPA Rule reference	Part of report	Description	ACMA page reference	OeSC page reference
17AG(7)(b)		A statement that ' <i>During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].</i> '	191	191
17AG(7)(c)		Policies and procedures for selecting and engaging consultants and the main categories of purpose for which they were engaged	191	191
17AG(7)(d)		Statement that: ' <i>Annual reports contain information on the actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.</i> '	191	191
Australian National Audit Office Access Clauses				
17AG(8)		If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	192	192
Exempt contracts				
17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	192	192

PGPA Rule reference	Part of report	Description	ACMA page reference	OeSC page reference
Small business				
17AG(10)(a)		A statement that ' <i>[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.</i> '	158	158
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises	158	158
17AG(10)(c)		If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that ' <i>[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Businesses are available on the Treasury's website.</i> '	158	158
Financial statements				
17AD(e)		Inclusion of the annual financial statements in accordance with the subsection 43(4) of the Act	204	204
Other mandatory information				
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that ' <i>During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.</i> '	191	191

PGPA Rule reference	Part of report	Description	ACMA page reference	OeSC page reference
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns, a statement to that effect	192	192
17AH(1)(b)		A statement that ' <i>Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website].</i> '	n/a	n/a
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to the website for further information	155	155
17AH(1)(d)		Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found	153	141
17AH(1)(e)		Correction of material errors in previous annual reports	n/a	n/a
17AH(2)		Information required by other legislation	see tables below	n/a

Requirements in section 57 of Part 6 of the *Australian Communications and Media Authority Act 2005*

ACMA Act Reference	Requirement	ACMA page reference
57(a)	A copy of each direction given to the ACMA under section 14 during the period	100
57(aa)	A report on the following matters: (i) remuneration, and other employment-related costs and expenses, in respect of APS employees whose duties relate to the performance of the e-Safety Commissioner's functions or the exercise of the e-Safety Commissioner's powers; (ii) any other costs, expenses and other obligations incurred by the Commonwealth in connection with the performance of the e-Safety Commissioner's functions or the exercise of the e-Safety Commissioner's powers	154, 173, 194–195
57(b), (c)	A copy, or extract, of each instrument given to a carrier or to a carriage service provider under section 581 of the <i>Telecommunications Act 1997</i> during the financial year	100
57(d)	A report on the number and types of complaints made under Part 26 of the <i>Telecommunications Act 1997</i> . A report on the investigations conducted as a result of complaints made under Part 26. The results of those investigations	68, 74, 80–81, 95–96, 186
57(e)	A report on the operation of Part 6 of the <i>Telecommunications Act 1997</i>	75, 94, 186
57(f)	A report setting out statistical information relating to information or documents disclosed under Division 3 of Part 13 of the <i>Telecommunications Act 1997</i>	188

Other information required to be included by an Act or instrument

Requirement	Page reference
Reporting on work health and safety under Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>	156
Advertising and market research reporting requirements in section 311A of the <i>Commonwealth Electoral Act 1918</i>	191
Ecologically sustainable development and environmental performance (section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	159

Appendix 13:

Financial statements

For the period ended 30 June 2018



INDEPENDENT AUDITOR'S REPORT

To the Minister for Communications

Opinion

In my opinion, the financial statements of the Australian Communications and Media Authority for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australian Communications and Media Authority as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Australian Communications and Media Authority, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Chair and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cashflows;
- Administered Schedule of Comprehensive Income;
- Schedule of Administered Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Australian Communications and Media Authority in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Australian Communications and Media Authority, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the Australian Communications and Media Authority's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Josephine Bushell
Senior Director

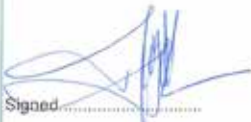
Delegate of the Auditor-General

Canberra
4 September 2018

Australian Communications and Media Authority
STATEMENT BY THE CHAIR AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2018 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Communications and Media Authority will be able to pay its debts as and when they fall due.



Signed.....

Nerida O'Loughlin
Chair

3 September 2018



Signed.....

Anne Fleischer
Chief Finance Officer

3 September 2018

Australian Communications and Media Authority
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2018

		2018	2017	Original Budget 2018
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	52,848	51,699	55,510
Suppliers	1.1B	34,275	29,887	27,999
Depreciation and amortisation	3.2A	12,139	12,067	10,254
Write-down and impairment of assets	1.1C	804	500	-
Total expenses		100,066	94,153	93,763
Own-Source Income				
Own-source revenue				
Sale of goods and rendering of services	1.2A	90	50	900
Other revenue	1.2B	3,954	1,423	2,549
Total own-source revenue		4,044	1,473	3,449
Gains				
Other gains	1.2C	81	81	-
Total gains		81	81	-
Total own-source income		4,125	1,554	3,449
Net cost of services		(95,941)	(92,599)	(90,314)
Revenue from Government	1.2D	82,097	81,753	81,020
Deficit attributable to the Australian Government		(13,844)	(10,846)	(9,294)
OTHER COMPREHENSIVE INCOME				
Items subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		-	(49)	-
Total other comprehensive loss		-	(49)	-
Total comprehensive loss		(13,844)	(10,895)	(9,294)

The above statement should be read in conjunction with the accompanying notes.

Material Budget Variances Commentary

Employee Benefits – Budget variances in Employee benefits in 2017-18 was primarily driven by delays to recruitment processes across the agency.

Suppliers – Underspends in employee expenses enabled ACMA to redeploy more funding to activities funded under suppliers. Additionally, the ACMA's involvement in the Commonwealth Games and increased scope of the Office of the e-Safety Commissioner contributed to a higher utilisation of short-term specialist staff such as contractors and consultants. Travel associated with the monitoring of the Commonwealth Games also increased suppliers expenses in 2017-18.

Depreciation and Amortisation – There have been a number of additions to several classes of non-current assets and capitalisations from major projects which has increased depreciation and amortisation in 2017-18.

Sale of goods and rendering of services - The ACMA earns revenue from the sale of media items such as CDs and publications which is driven by demand. Many publications are now being published on the website free of charge, reducing revenue.

Australian Communications and Media Authority
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2018

Other Revenue – Revenue received from ACMA's involvement in the Commonwealth Games exceeded initial budgeted figures due to uncertainty at the time of preparing the 2017-18 budget. All Commonwealth Games revenue was a recovery of the costs attributed to AMCA's involvement.

Australian Communications and Media Authority
STATEMENT OF FINANCIAL POSITION
as at 30 June 2018

		2018	2017	Original Budget 2018
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial Assets				
Cash and cash equivalents	3.1A	3,100	6,586	1,708
Trade and other receivables	3.1B	25,196	22,890	22,954
Other financial assets		-	-	512
Total financial assets		28,296	29,476	25,174
Non-Financial Assets				
Land and buildings	3.2A	21,009	22,258	23,342
Property, plant and equipment	3.2A	5,217	4,420	11,361
Intangibles	3.2A	14,683	21,656	18,196
Other non-financial assets	3.2B	2,331	1,037	1,678
Total non-financial assets		43,240	49,371	54,577
Total assets		71,536	78,847	79,751
LIABILITIES				
Payables				
Suppliers	3.3A	7,454	8,688	5,249
Other payables	3.3B	519	505	11
Total payables		7,973	9,193	5,260
Provisions				
Employee provisions	6.1A	17,313	16,853	21,052
Other provisions	3.4A	2,575	2,575	2,493
Total provisions		19,888	19,428	23,545
Total liabilities		27,861	28,621	28,805
Net assets		43,675	50,226	50,946
EQUITY				
Contributed equity		113,826	106,534	115,876
Reserves		1,985	1,983	2,032
Retained accumulated deficit		(72,136)	(58,291)	(66,962)
Total equity		43,675	50,226	50,946

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Special Account Balances

Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 states that balances of a special account be disclosed as cash or cash equivalents in entity financial statements to more accurately reflect the quarantined nature and specific purpose of these funds. The ACMA adopted this practice as voluntary change in accounting policy in 2016-17 to enable comparatives in 2017-18.

Material Budget Variances Commentary

Cash and cash equivalents – Cash held on hand is dynamic and subject to timing of salary payments, supplier payment runs and cash receipts. Variances are common and largely unavoidable.

Australian Communications and Media Authority
STATEMENT OF FINANCIAL POSITION
as at 30 June 2018

Property, plant and equipment – Revaluations of property, plant and equipment assets in 2016-17 led to the write back of large amounts of accumulated depreciation.

Intangibles – There was a net impairment of intangibles of \$0.755m in 2017-18. There have also been some delays in anticipated transition to a primarily cloud based ICT infrastructure. This has led to intangible assets being in use for longer than originally anticipated and carried at a lower value.

Australian Communications and Media Authority
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000
CONTRIBUTED EQUITY/CAPITAL				
Opening balance				
Balance carried forward from previous period		106,534	98,993	107,926
Adjusted opening balance		106,534	98,993	107,926
Contributions by owners				
Equity injection - Appropriations		50	-	708
Departmental capital budget		7,242	7,541	7,242
Total transactions with owners		7,292	7,541	7,950
Closing balance as at 30 June		113,826	106,534	115,876
RETAINED EARNINGS				
Opening balance				
Balance carried forward from previous period		(58,291)	(47,466)	(57,668)
Other movements		(1)	-	-
Adjusted opening balance		(58,292)	(47,466)	(57,668)
Comprehensive income				
Deficit for the period		(13,844)	(10,846)	(9,294)
Total comprehensive income		(13,844)	(10,846)	(9,294)
Contributions by owners				
Other movements		-	21	-
Total transactions with owners		-	21	-
Closing balance as at 30 June		(72,136)	(58,291)	(66,962)
ASSET REVALUATION RESERVE				
Opening balance				
Balance carried forward from previous period		1,983	2,032	2,032
Other movements		2	-	-
Adjusted opening balance		1,985	2,032	2,032
Comprehensive income				
Revaluation increment on non-financial assets		-	(49)	-
Total comprehensive income		-	(49)	-
Closing balance as at 30 June		1,985	1,983	2,032

Australian Communications and Media Authority
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000
TOTAL EQUITY				
Opening balance				
Balance carried forward from previous period		50,226	53,559	52,290
Other movements		1	-	-
Adjusted opening balance		50,227	53,559	52,290
Comprehensive income				
Revaluation increment/(decrement) on non-financial assets		-	(49)	-
Deficit for the period		(13,844)	(10,846)	(9,294)
Total comprehensive income		(13,844)	(10,895)	(9,294)
Contributions by owners				
Equity injection - Appropriations		50	-	708
Other movements		-	21	-
Departmental capital budget		7,242	7,541	7,242
Total transactions with owners		7,292	7,562	7,950
Closing balance as at 30 June		43,675	50,226	50,946

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Other Distributions to Owners

The Finance Reporting Rule (FRR) requires that distributions to owners be debited to contributed equity unless it is in the nature of a dividend. No surplus output appropriation funding was relinquished and returned to the Official Public Account this financial year (2017: Nil).

Material Budget Variances Commentary

Deficit – The deficit recorded is higher than initially anticipated due primarily to the increase in scope of work undertaken by the Office of the eSafety Commissioner. In addition, due to the nature of the Enhancing Online Safety special account, unspent prior year appropriations do not lapse and were subsequently utilised during 2017-18.

Australian Communications and Media Authority
STATEMENT OF CASHFLOWS
for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000
OPERATING ACTIVITIES				
Cash received				
Sale of goods and rendering of services		75	38	900
Appropriations		78,448	86,018	87,161
GST received		2,698	2,560	2,380
Other		3,265	649	2,549
Total cash received		84,486	89,265	92,990
Cash used				
Employees		49,413	54,855	58,382
Suppliers		38,567	28,695	33,648
Total cash used		87,980	83,550	92,030
Net cash used by operating activities		(3,494)	5,715	960
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		2,662	772	-
Purchase of intangibles		3,330	4,607	7,670
Total cash used		5,992	5,379	7,670
Net cash used by investing activities		(5,992)	(5,379)	(7,670)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		6,000	1,093	6,710
Total cash received		6,000	1,093	6,710
Net cash from financing activities		6,000	1,093	6,710
Net decrease in cash held		(3,486)	1,429	-
Cash and cash equivalents at the beginning of the reporting period		6,586	5,157	1,708
Cash and cash equivalents at the end of the reporting period	3.1A	3,100	6,586	1,708

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Special Account Balances

Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 states that balances of a special account be disclosed as cash or cash equivalents in entity financial statements to more accurately reflect the quarantined nature and specific purpose of these funds. As a result, special account balances are deemed to be appropriations received on deposit into the special account and must be recorded in the cash flow. The ACMA adopted this treatment as a voluntary change in accounting policy in 2016-17.

Material Budget Variances Commentary

Cash Used – A number of projects undertaken by the Office of the eSafety Commissioner reached maturity in 2017-18 with many requiring the use of specialist contractors and short-term staffing. In addition, the ACMA's involvement in the 2018 Commonwealth Games required significant expenditure which was cost recovered.

Australian Communications and Media Authority
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000
NET COST OF SERVICES				
EXPENSES				
Suppliers	2.1A	7,315	1,273	7,002
Asset write-downs and impairments	2.1B	5,688	890	50
Total Expenses		13,003	2,163	7,052
INCOME				
Revenue				
Taxation revenue				
Other taxes	2.2A	488,782	438,502	927,686
Total taxation revenue		488,782	438,502	927,686
Non-taxation revenue				
Sale of goods and rendering of services	2.2B	5,226	5,978	37,473
Fees and fines	2.2C	31,828	32,778	-
Other revenue	2.2D	4,149	3,264	5,936
Total non-taxation revenue		41,203	42,020	43,409
Total revenue		529,985	480,522	971,095
Gains				
Sale of assets	2.2E	3,078,143	527,691	3,049,985
Total gains		3,078,143	527,691	3,049,985
Total Income		3,608,128	1,008,213	4,021,080
Net contribution by services		3,595,125	1,006,050	4,014,028
Surplus on continuing operations		3,595,125	1,006,050	4,014,028
Total other comprehensive income		3,595,125	1,006,050	4,014,028

The above schedule should be read in conjunction with the accompanying notes.

Material Budget Variances Commentary

Asset write-downs and impairments – The budget variance relates to the provision of doubtful debts over 90 days which the ACMA does not budget for. A change in the business process of a significant client led to a large number of outstanding invoices becoming doubtful in late 2017-18. The revenue was subsequently collected.

Other taxes – Radiocommunication licensing is largely demand driven and significant fluctuations can occur in revenue.

Australian Communications and Media Authority
SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES
as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget 2018 \$'000
ASSETS				
Financial Assets				
Cash and cash equivalents	4.1A	868	502	1,175
Taxation receivables	4.1B	58,945	51,587	89,212
Trade and other receivables	4.1B	31,442	32,512	901,684
Other financial assets	4.1C	802,389	-	-
Total financial assets		893,644	84,601	992,071
Total assets administered on behalf of government				
		893,644	84,601	992,071
LIABILITIES				
Payables				
Unearned revenue	4.2A	130,046	1,579,890	95,792
Other payables	4.2A	682	912	831
Total payables		130,728	1,580,802	96,623
Total liabilities administered on behalf of government				
		130,728	1,580,802	96,623
Net assets		762,916	(1,496,201)	895,448

The above schedule should be read in conjunction with the accompanying notes.

Material Budget Variances Commentary

Trade and other receivables – The sale of 700MHz band spectrum licences totalled \$1.55b with successful bidders paying over three instalments. The balance of instalments payable in 2018-19 and 2019-20 was initially budgeted for as a trade receivable. This was subsequently recorded in 2017-18 as a financial asset.

Other Financial Assets – Remaining instalments payable for the 700MHz auction in FY 2018-19 and 2019-20 booked as accrued revenue and a trade receivable in the budget figures was recorded as a financial asset in 2017-18.

Unearned revenue – The balance of unearned revenue is primarily driven by the industry consumption of Radiocommunications licences and is subject to fluctuating demand. Delays in passing legislation also led to the deferment of revenue collection.

Australian Communications and Media Authority
ADMINISTERED RECONCILIATION SCHEDULE
for the period ended 30 June 2018

	2018 \$'000	2017 \$'000
Opening administered assets less administered liabilities as at 1 July	(1,496,201)	117,791
Adjusted opening administered assets less administered liabilities	(1,496,201)	117,791
Plus: Administered income	3,608,128	1,008,213
Less: Administered expenses	(13,003)	(2,163)
Administered transfers to/from Australian Government		
Appropriation transfers from OPA	14,090	5,961
Transfers to OPA	(1,122,878)	(2,408,259)
Transfers to OPA (transfer to other entity- Finance Whole of Government)	(227,220)	(217,744)
Closing administered assets less administered liabilities as at 30 June	762,916	(1,496,201)

Accounting Policy

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the entity for use by the Government rather than the entity is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the entity on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Australian Communications and Media Authority
ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
OPERATING ACTIVITIES			
Cash received			
Sale of goods and rendering of services		2,875	3,239
Taxes		525,831	651,112
Fees		5,275	7,520
Fines		72	71
Other		1,165	1,436,099
Total cash received		535,218	2,098,041
Cash used			
Other		(24,798)	(6,363)
Total cash used		(24,798)	(6,363)
Net cash from operating activities		510,420	2,091,678
INVESTING ACTIVITIES			
Cash received			
Revenue from sales of intangibles		825,954	527,691
Total cash received		825,954	527,691
Net cash from investing activities		825,954	527,691
Net increase in cash held		1,336,374	2,619,369
Cash and cash equivalents at the beginning of the reporting period		502	1,175
Cash from Official Public Account			
Appropriations		14,090	5,961
Total cash used from official public account		14,090	5,961
Cash to official public account			
Administered revenue		(1,122,882)	(2,408,259)
Transfer to other entities (Finance - Whole of Government)		(227,216)	(217,744)
Total cash used to official public account		(1,350,098)	(2,626,003)
Cash and cash equivalents at the end of the reporting period	4.1A	868	502

Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Overview

Objectives of the Australian Communications and Media Authority

The Australian Communications and Media Authority (ACMA) is an Australian Government non-corporate entity. The ACMA supports and encourages an innovative communications sector. The entity works closely with stakeholders in the context of the legislated regulatory framework to safeguard the public interest, address the broad concerns of the community and meet the needs of industry for access to public resources like spectrum.

The entity is structured to meet the following outcomes and programs:

Outcome 1: A communications and media environment that balances the needs of the industry and the Australian community through regulation, education and advice.

Program 1.1: Communications regulation, planning and licensing

Program 1.2: Consumer safeguards, education and information

Program 1.3: Office of the eSafety Commissioner

The continued existence of the ACMA in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the ACMA's administration and programs.

The ACMA's activities contributing toward these outcomes are classified as either Departmental or Administered.

- Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the ACMA in its own right.
- Administered activities involve the management or oversight by the ACMA, on behalf of the Government, of items controlled or incurred by the Government.

The ACMA administers the following activities on behalf of the Government:

- Regulation of the telecommunications and radiofrequency services;
- Managing access to the radiofrequency spectrum bands through radio communications licence arrangements;
- Regulating compliance with the relevant legislation, licence conditions, codes of conduct and other service standards;
- Promoting and facilitating industry self-regulation, exercising its powers when necessary, and reporting on matters of importance to the communication industry;
- Managing Australia's "Do Not Call Register"; and
- Representing Australia's communication interests internationally.

Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The Financial Statements have been prepared in accordance with:

- a) The *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to the ACMA or a future sacrifice of economic benefits will be required, and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the notes to and forming part of the financial statements.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets, liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis, using the same policies as for departmental items, including the application of Australian Accounting Standards.

Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the ACMA has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land and buildings has been taken to be the market value of similar properties as determined by an independent valuer. In some instances, the ACMA's buildings are purpose-built and may in fact realise more or less in the market;
- The fair value of plant and equipment has been taken to be the market value of similar items determined by an independent valuer including allowances for physical deterioration of the asset;
- The provision for long service leave has been estimated using present value techniques, which take into account attrition rates and pay increases through promotion and inflation; and
- The provision for impairment of financial assets is assessed on a monthly basis. When a receivable is aged more than 90 days the debt is considered doubtful and a provision for the non-recovery of the debt is made.

Other than as noted below, no other accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

The amortised value of the administered receivable from data casting charges has been estimated based on the prior year assessed licence.

Changes in Accounting Policy and Prior Year Adjustments

A voluntary change in accounting policy under AASB 108.14(b), related to the treatment of special account balances, was applied to the 2016-17 financial statements, and retrospective adjustments to the 2015-16 balances were made under AASB 108.19(b). The ACMA changed its accounting policy as it resulted in the financial statements providing reliable and more relevant information. In this instance the change in policy ensures that there is consistent reporting and treatment across the Commonwealth.

Previously, ACMA special account balances held in the Official Public Account (OPA) were recognised as trade and other receivables –appropriations not yet drawn down. They have been reclassified as cash equivalents in line with *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* which states that balances of a special account be disclosed as cash or cash equivalent in entity financial statements. All applicable notes have been updated to reflect this change, including the Statement of Financial Position and the Statement of Cashflows.

The table below details the restatement of 2015-16 balances.

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Financial Position	2015-16 restated \$'000	2015-16 audited \$'000	Movement \$'000
Cash and cash equivalents	5,157	1,708	3,449
Trade and other receivables	20,017	23,466	(3,449)

Statement of Cashflows	2015-16 restated \$'000	2015-16 audited \$'000	Movement \$'000
Cash Received - Appropriations	86,573	83,124	3,449
Cash and cash equivalents at the end of the reporting period	5,157	1,708	3,449

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. AASB124 "Related Party Disclosures" were adopted on 1 July 2016 and are detailed in note 6.3 accompanying the financial statements.

All other new, revised or amending Standards or Interpretations that were issued prior to the sign-off and are applicable to the current period did not have material effect and are not expected to have future material effect.

Future Australian Accounting Standards

The following revised Standards were issued by the Australian Accounting Standards Board prior to the signing of the financial statements by the Chair and Chief Finance Officer, and are expected to have a financial impact on the ACMA's financial statements for future reporting periods.

Standard/ Interpretation	Application date for the ACMA	Nature of new change/s in Accounting Policy and impact on initial application
AASB 15 Revenue from Contracts with Customers	1 Jan 2019	AASB 15 replaces previous revenue standards (AASB 18 and AASB 111) and establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers, with revenue recognised when 'performance obligations' are satisfied.
AASB 9 Financial Instruments	1 Jan 2018	AASB 9 was reissued in December 2014 and now incorporates: <ul style="list-style-type: none"> • The classification and measurement requirement for financial assets and liabilities; • The recognition and de-recognition requirements for financial instruments (phase 1); and • Requirements for impairments of financial assets (phase 2).
AASB 16 Leases	1 Jan 2019	AASB 16 has introduced significant changes to lease accounting, primarily the removal of the distinction between operating and finance leases. The changes will result in the inclusion of a lease liability and a right of use asset on the balance sheet.

Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Financial Performance

This section analyses the financial performance of the ACMA for the year ended 30 June 2018.

1.1 Expenses

	2018	2017
	\$'000	\$'000
Note 1.1A: Employee Benefits		
Wages and salaries	37,937	35,802
Superannuation		
Defined contribution plans	3,320	3,009
Defined benefit plans	4,036	4,302
Leave and other entitlements	6,907	6,143
Separation and redundancies	648	2,443
Total employee benefits	<u>52,848</u>	<u>51,699</u>

Accounting Policy

For accounting policies on employee related expenses please refer to Section 6, People and Relationships.

Note 1.1B: Suppliers

Goods and services supplied or rendered

Consultants	1,976	2,147
Contractors	6,318	3,629
Outsourced services	6,014	5,443
Stationery and publications	354	427
Legal costs	112	123
Occupancy costs	1,911	1,715
I.T. and communications services	5,052	5,043
Travel costs	2,068	1,503
Other	4,151	2,998
Total goods and services supplied or rendered	<u>27,956</u>	<u>23,028</u>

Goods supplied	-	216
Services rendered	27,956	22,812
Total goods and services supplied or rendered	<u>27,956</u>	<u>23,028</u>

Other suppliers

Operating lease rentals	5,985	6,177
Workers compensation expenses	334	682
Total other suppliers	<u>6,319</u>	<u>6,859</u>
Total supplier	<u>34,275</u>	<u>29,887</u>

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	8,001	6,854
Between 1 to 5 years	28,450	31,179
More than 5 years	591	1,756
Total operating lease commitments	<u>37,042</u>	<u>39,789</u>

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Leasing commitments

Office lease payments are subject to annual increases, generally in accordance with upward movements of the Consumer Price Index increased by a fixed rate. All office accommodation leases are current. A number of leases allow for extensions, the longest option providing for two five year extensions at the ACMA's discretion. On renewal, each lease allows for a market review to set the net rental base.

Accommodation Lease	Minimum end date period
Brisbane	March 2021
Canberra	August 2023
Melbourne	December 2023
Lucas Heights	December 2018
Sydney	February 2021

Accounting Policy

Leases

Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership. In operating leases the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Taxation

The ACMA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, and for receivables and payables.

Competitive Neutrality

Competitive neutrality requires that Government business activities should not enjoy net competitive advantages over their private competitors simply by virtue of public sector ownership. The ACMA does not have any Competitive Neutrality obligations.

	2018	2017
	\$'000	\$'000
<u>Note 1.1C: Write-Down and Impairment of Assets</u>		
Impairment of property, plant and equipment	49	239
Impairment on intangible assets	755	261
Total write-down and impairment of assets	804	500

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.2 Own-Source Revenue and Gains

	2018	2017
	\$'000	\$'000
Own-Source Revenue		

Note 1.2A: Sale of Goods and Rendering of Services

Sale of goods in connection with

Sale of goods	7	50
Rendering of services	83	-
Total sale of goods and rendering of services	90	50

Note 1.2B: Other Revenue

Number allocation charges	1	-
Other	3,953	1,423
Total other revenue	3,954	1,423

Accounting Policy

Revenue

Revenue from the sale of goods is recognised when: the risks and rewards of ownership have been transferred to the buyer; the ACMA retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured and it is probable that the economic benefits associated with the transaction will flow to the ACMA.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when the amount of revenue, stage of completion and transaction costs incurred can be reliably measured, and the probable economic benefits associated with the transaction will flow to the ACMA.

The stage of completion of contracts at the reporting date is determined by reference to the proportion of costs incurred to date compared to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Other

Other revenue consists of cost recovery income received for work completed for the Gold Coast Commonwealth Games, satellite co-ordination charges collected by the ACMA and minor ad-hoc work such as EPIRB triangulation and police investigation assistance.

Gains

Note 1.2C: Other Gains

Resources received free of charge	81	81
Total other gains	81	81

Accounting Policy

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature. The value of income represents the services provided free of charge by the Australian National Audit Office.

Contributions of assets at no cost of acquisition or for a nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements.

Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2018	2017
	\$'000	\$'000
Revenue from government		
Note 1.2D: Revenue from Government		
Appropriations:		
Departmental appropriations	<u>82,097</u>	<u>81,753</u>
Total revenue from Government	<u>82,097</u>	<u>81,753</u>

Accounting Policy

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the ACMA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2. Income and Expenses Administered on Behalf of Government

This section analyses the activities that the ACMA does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied to departmental reporting.

2.1 Administered – Expenses

	2018	2017
	\$'000	\$'000
Note 2.1A: Suppliers		
Goods and services supplied or rendered		
Travel	72	20
Consultants	1,229	219
Contractors	3,321	807
Other	2,693	227
Total goods and services supplied or rendered	7,315	1,273
Goods supplied	-	1
Services rendered	7,315	1,272
Total goods and services supplied or rendered	7,315	1,273
Note 2.1B: Asset Write-Downs and Impairments		
Asset write-downs and impairments	5,688	890
Total asset write-downs and impairments	5,688	890

2.2 Administered – Income

Taxation Revenue		
Note 2.2A: Other Taxes		
Broadcasting licence fees	-	(2,701)
Radio communications taxes	201,566	163,459
Telecommunication numbering charges	60,000	60,000
Industry contributions	227,216	217,744
Total other taxes	488,782	438,502
Non-Taxation Revenue		
Note 2.2B: Sale of Goods and Rendering of Services		
Sale of goods	5,226	5,978
Total sale of goods and rendering of services	5,226	5,978
Note 2.2C: Fees and Fines		
Licence fees	31,756	32,707
Fines and penalties	72	71
Total fees and fines	31,828	32,778
Note 2.2D: Other Revenue		
Other	4,149	3,264
Total other revenue	4,149	3,264

Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Gains	2018 \$'000	2017 \$'000
<u>Note 2.2E: Gains from Sale of Assets</u>		
Proceeds from sale	3,078,143	527,691
Total gains from sale of assets	3,078,143	527,691

Accounting Policy

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the ACMA on behalf of the Australian Government. Contributions from industries in the form of taxes, industry levies and fines are recognised as revenue when the economic activity giving rise to the Government's right to the contribution has taken place and the liability to contribution can be reliably measured.

Industry Contributions

The ACMA collects Telecommunications Industry levies on behalf of Department of Communications and the Arts.

Gains from Sale of Assets

Proceeds from the sale of 2GHz spectrum licences commencing in October 2017 totalled \$1.440b. In addition, sale of the 700MHz multiband licences totalled \$1.550b with \$742m being collected in 2017-18 and the remaining \$802m payable via instalments over the next 2 years.

Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3. Financial Position

This section analyses the ACMA's assets used to generate financial performance and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

3.1 Financial Assets

	2018	2017
	\$'000	\$'000
Note 3.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	3,033	6,500
Cash held for external parties	67	86
Total cash and cash equivalents	3,100	6,586
Note 3.1B: Trade and Other Receivables		
Appropriations receivables		
For existing outputs	23,008	20,312
Total appropriations receivable	23,008	20,312
Other receivables		
GST receivable from the Australian Taxation Office	582	459
Other	1,606	2,119
Total other receivables	2,188	2,578
Total trade and other receivables (gross)	25,196	22,890
Total trade and other receivables (net)	25,196	22,890

**Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

3.2 Non-Financial Assets

Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles for 2018

	Land \$'000	Buildings \$'000	Other property, plant & equipment \$'000	WIP non IT projects \$'000	Computer software internally developed \$'000	WIP IT projects \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2017								
Gross book value	7,190	15,068	4,829	669	54,654	5,620	10,411	98,441
Accumulated depreciation and impairment	-	-	(1,078)	-	(39,337)	-	(9,692)	(50,107)
Total as at 1 July 2017	7,190	15,068	3,751	669	15,317	5,620	719	48,334
Additions								
By purchase	-	-	1,349	1,313	-	-	-	2,662
Internally developed	-	-	-	-	-	1,853	1,477	3,330
Revaluations and impairments recognised in other comprehensive income	60	-	(60)	-	-	-	-	-
Depreciation and amortisation	-	(1,687)	(1,386)	-	(8,418)	-	(648)	(12,139)
Reclassification	-	378	710	(1,088)	5,862	(5,862)	-	-
Impairments recognised in net cost of services	-	-	(49)	-	(729)	-	(26)	(804)
Other movements	-	-	8	-	-	(482)	-	(474)
Total as at 30 June 2018	7,250	13,759	4,323	894	12,032	1,129	1,522	40,909
Total as at 30 June 2018 represented by								
Gross book value	7,250	15,446	6,781	894	56,022	1,129	11,888	99,410
Accumulated depreciation and impairment	-	(1,687)	(2,458)	-	(43,990)	-	(10,366)	(58,501)
Total as at 30 June 2018	7,250	13,759	4,323	894	12,032	1,129	1,522	40,909

Australian Communications and Media Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Accounting Policy

Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate. Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than the applicable threshold, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The asset thresholds have not been changed during the current financial year. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the ACMA where there exists an obligation to restore the property to its original condition. These costs are included in the value of the ACMA's leasehold improvements with a corresponding provision for the 'make good' recognised.

Asset Class	Threshold
Buildings	\$50,000
Leasehold improvements	\$10,000
Plant and equipment	\$5,000
Motor vehicles	\$10,000
Software – purchased	\$10,000
Software – internally developed	\$10,000

Revaluations

Fair values for each class of asset are determined:

Asset Class	Revaluation Cycle	Fair Value Measured at
Land	Annually	Market approach
Building	Tri-annually	Depreciated replacement cost
Leasehold improvements	Tri-annually	Depreciated replacement cost
Plant and equipment	Tri-annually	Market approach
Motor vehicles	Tri-annually	Market approach

Following initial recognition at cost, property plant and equipment is carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient

frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve, except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/(deficit). Revaluation decrements for a class of assets are recognised directly in the surplus/(deficit) except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the ACMA using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Asset Class	Useful Life
Buildings	5 to 40 years
Plant and equipment	3 to 15 years
Motor vehicles	5 to 10 years

Impairment

All Land, and Intangible assets were assessed for impairment at 30 June 2018. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the ACMA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Intangibles

The ACMA's intangibles comprise of internally developed and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the ACMA's software are 3 to 10 years, and have not changed from previous years.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Revaluation of Non-Financial Assets	2018	2017
	\$'000	\$'000

Movements on the revaluation reserves are as follows:

Asset Class	Increment (Decrement)	Increment (Decrement)
Land	60	65
Buildings	-	(114)
Technical equipment	(60)	-

Notes

All increments and decrements were transferred to the asset revaluation reserve by asset class and included in the equity section. A revaluation increment of \$0.060m was transferred to the asset revaluation reserve for land. A revaluation decrement of \$0.060m was transferred from the asset revaluation reserve for Technical equipment. Assets other than Land are revalued tri-annually. Land assets are valued every year.

Note 3.2B: Other Non-Financial Assets

Prepaid expenses	2,331	1,037
Total other non-financial assets	2,331	1,037

3.3 Payables

Note 3.3A: Suppliers

Trade creditors and accruals	4,377	6,290
Operating lease rentals	3,077	2,398
Total supplier payables	7,454	8,688

Note 3.3B: Other Payables

Salaries and wages	381	371
Superannuation	60	56
Separations and redundancies	67	67
Other	11	11
Total other payables	519	505

Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.4 Other Provisions

	2018	2017
	\$'000	\$'000
Note 3.4A: Other Provisions		
Provision for restoration obligations	2,575	2,575
Total other provisions	2,575	2,575
	Provision for restoration	Total
Reconciliation of the Other Provisions Account:	\$'000	\$'000
As at 1 July 2017	2,575	2,575
Total as at 30 June 2018	2,575	2,575

Notes

As indicated on the Schedule of Commitments, the ACMA currently has 5 major agreements for the leasing of premises which have provisions requiring the ACMA to restore the premises to their original condition at the conclusion of the lease (2017: 5).

Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4. Assets and Liabilities Administered on Behalf of Government

This section analyses assets and liabilities the ACMA does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

4.1 Administered – Financial Assets

	2018	2017
	\$'000	\$'000
Note 4.1A: Cash and Cash Equivalents		
Special accounts	40	195
Cash on hand or on deposit	828	307
Total cash and cash equivalents	868	502
Note 4.1B: Taxation Receivables		
Other taxes	65,164	53,341
Total taxation receivables (gross)	65,164	53,341
Less: impairment allowance account		
Other taxes	6,219	1,754
Total receivables (net)	58,945	51,587
Note 4.1B: Trade and Other Receivables		
Goods and services		
Goods and services receivable	48	42
Total receivables for good and services	48	42
Other receivables		
Fees, charges and other revenues	31,678	32,624
Total other receivables	31,678	32,624
Total receivables (gross)	31,726	32,666
Less: impairment allowance account		
Other receivables	284	154
Total receivables (net)	31,442	32,512

Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Reconciliation of the Impairment Allowance			
Movements in relation to 2018			
	Taxation receivables \$'000	Other receivables \$'000	Total \$'000
Opening balance	1,754	154	1,908
Increase recognised in net surplus	4,465	130	4,595
Closing balance	6,219	284	6,503
Movements in relation to 2017			
	Taxation receivables \$'000	Other receivables \$'000	Total \$'000
Opening balance	1,020	42	1,062
Increase recognised in net surplus	734	112	846
Closing balance	1,754	154	1,908
Goods and services receivables are with entities external to the Australian Government. Credit terms granted to debtors vary dependent on legislation.			
		2018 \$'000	2017 \$'000
Note 4.1C: Other Financial Assets			
Accrued revenue		802,389	-
Total other financial assets		802,389	-

4.2 Administered – Payables

Note 4.2A: Other Payables			
Prepayments received/unearned income		130,046	1,579,890
Other		682	912
Total other payables		130,728	1,580,802

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5. Funding

This section identifies the ACMA's funding structure.

5.1 Appropriations

Note 5.1A: Annual Appropriations ('Recoverable GST exclusive')

Annual appropriations for 2018

	Annual Appropriation ¹ \$'000	Adjustments to Appropriation \$'000	Total Appropriation \$'000	Appropriation applied in 2018 (current and prior years) \$'000	Variance ² \$'000
Departmental					
Appropriation Act (No.1) 2017-18 as passed	81,020	-	81,020	(85,840)	(4,820)
Appropriation Act (No.3) 2017-18 as passed	-	1,077	1,077	-	1,077
Appropriation Act (No.1) Capital Budget ³ 2017-18 as passed	7,242	-	7,242	(5,900)	1,342
Appropriation Act (No.2) - Equity Injection	50	-	50	(50)	-
Total departmental	88,312	1,077	89,389	(91,790)	(2,401)

Notes

¹Additional appropriation for National Broadband Network – enhanced consumer experience of \$1.513m was received during the 2017-18 Additional Estimates process. This was offset by the reduction in funding of \$0.436m due to the transfer of the Australian Security Initiative Function to the Attorney General's Department.

²Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

Annual appropriations for 2017

	Annual Appropriation ¹ \$'000	Adjustments to Appropriation \$'000	Total Appropriation \$'000	Appropriation applied in 2017 (current and prior years) \$'000	Variance ² \$'000
Departmental					
Ordinary annual services	88,290	-	88,290	(82,528)	5,762
Appropriation Act (No.1) 2016-17 as passed	47,106	-	47,106	(48,781)	(1,675)
Supply Act (No.1) 2016-17 as passed	33,647	-	33,647	(33,647)	-
Appropriation Act (No.1) Capital Budget ³ 2016-17 as passed	4,292	-	4,292	-	4,292
Supply Act (No.1) Capital Budget 2016-17 as passed	3,245	-	3,245	(100)	3,145
Appropriation Act (No.4) - Equity Injection	350	-	350	-	350
Total departmental	88,640	-	88,640	(82,528)	6,112

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2018	2017
	\$'000	\$'000
Authority		
Appropriation Act (No.1) 2016-2017 as passed	-	12,525
Appropriation Act (No.2) 2015-2016 as passed Non-operating (Equity)	-	350
Appropriation Act (No.1) 2016-17 as passed Capital Budget	-	3,145
Supply Act (No.1) 2016-17 as passed Capital Budget	1,937	4,292
Appropriation Act (No.1) 2017-2018 as passed Capital Budget	7,142	-
Appropriation Act (No.3) as passed	1,077	-
Appropriation Act (No.1) 2017-2018 as passed	10,852	-
Total	21,008	20,312

Notes

¹An amount of \$0.346m from Appropriation Act 1 2013-14 Equity Injection was withheld from the prior year appropriation available under s51 of the PGPA Act. This amount constitutes a permanent loss of appropriation and was therefore unavailable for use in 2016-17.

Note 5.1C: Special Appropriations ('Recoverable GST exclusive')

		Appropriation applied	
		2018	2017
Authority	Type	\$'000	\$'000
Public Governance, Performance and Accountability Act 2013 s77 Repayments	Refund	6,700	5,961
Total special appropriations applied		6,700	5,961

Notes

Special Appropriation: Under section 77 of the *Public Governance, Performance and Accountability Act 2013*, the ACMA has a special appropriation utilised for the purpose of providing refunds of Administered revenue to customers, and transfer of administered funds between bank accounts where payments were made to the incorrect bank account and the funds had already been transferred to the Official Public Account. The total utilisation of this special appropriation in 2017-18 was \$6.700m.

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.2 Special Accounts

Note 5.2A: Special Accounts ('Recoverable GST exclusive')

	The Online Safety Special Account s80 PGPA Act (s72 Enhancing Online Safety Act 2015)		Services for Other Entities and Trusts Money- s20 FMA Act Det 2012/13	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Balance brought forward from previous period	5,112	3,449	195	195
Increases	10,721	12,063	-	-
Total increases	15,833	15,512	195	195
Available for payments	15,833	15,512	195	195
Decreases				
Departmental	(13,880)	(10,400)	-	-
Total departmental	(13,880)	(10,400)	-	-
Administered	-	-	(155)	-
Total administered	-	-	(155)	-
Total decreases	(13,880)	(10,400)	(155)	-
Total balance carried to the next period	1,953	5,112	40	195
Balance represented by:				
Cash held in entity bank accounts	102	104	-	-
Cash held in the Official Public Account	1,851	5,008	40	195
Total available carried to the next period	1,953	5,112	40	195

Notes

The ACMA administers the Online Safety Special account on behalf of the Office of the eSafety Commissioner. This account was established under s80 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and s72 of the *Enhancing Online Safety for Children Act 2015*. For the year ended 30 June 2018 the account had a balance of \$1.851m.

Appropriation: Financial Management and Accountability, Establishing Instrument: Section 20 FMA Act Determination 2012-13. Purpose: Monies held on trust for or for the benefit of a person other than the Commonwealth. The ACMA holds money in trust primarily for Submarine Cable Protection Zone deposits in accordance with item 6.1 of Part 6 of Schedule 1 to the Telecommunications (Charges) Determination 2012.

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.3 Regulatory Charging Summary

	2018 \$'000	2017 \$'000
Amounts applied		
Departmental		
Annual appropriations	20,559	20,081
Own source revenue	314	195
Administered		
Special appropriations (including special accounts)	300	300
Total amounts applied	21,173	20,576
Expenses		
Departmental	20,973	20,334
Administered	-	86
Total expenses	20,973	20,420
Revenue		
Departmental	314	195
Administered	38,801	38,554
Total revenue	39,115	38,749

Notes

Cost Recovered Activities:

The administered revenue includes Annual Carrier Licence Charge (2017-18 – \$31.67m; 2016-17 - \$32.62m) which are based on the cost of services provided by the ACMA, ACCC and the Department of Communications and the Arts. The ACMA is responsible for invoicing and collecting the charges from the telecommunications carriers on behalf of other participating government organisations. Further information in relation to the ACMA's Cost Recovery Implementation Statement for the Annual Carrier Licence Charges and other cost recovery activities can be obtained from the following link:

<http://www.acma.gov.au/theACMA/About/Corporate/Accountability/cost-recovery-impact-statements-acma>

The administered revenue also included the money received on behalf of the Postal Industry Ombudsman (PIO) for investigation of complaints (2017-18 - \$0.56m; 2016-17 - \$0.49m). The ACMA is only responsible for invoicing and collecting the charges on behalf of the PIO. The activity details are available at the PIO's website:

<http://www.pio.gov.au>

5.4 Net Cash Appropriation Arrangement

	2018 \$'000	2017 \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(1,705)	1,172
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<u>(12,139)</u>	<u>(12,067)</u>
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	<u>(13,844)</u>	<u>(10,895)</u>

Notes

From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

6. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

6.1 Employee Provisions

	2018	2017
	\$'000	\$'000
Note 6.1A: Employee Provisions		
Leave	17,313	16,853
Total employee provisions	17,313	16,853

Accounting Policy

Liabilities for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the ACMA is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the ACMA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the short hand method prescribed under section 24 of the Financial Reporting Rule. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The ACMA recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the termination.

Superannuation

The ACMA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The ACMA makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the ACMA's employees. The ACMA accounts for the contributions as if they were contributions to defined contribution plans.

Parental Leave Payments Scheme

Amounts received under the Parental Leave Payments Scheme and not yet paid to employees have been presented at the gross amount as cash and payable.

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

6.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The ACMA has determined the Key Management Personnel to be the full time and part time Authority Members, General Managers and the eSafety Commissioner.

Key management personnel remuneration is:

	2018	2017
	\$	\$
Short-term employee benefits	2,387,527	2,162,941
Post-employment benefits	364,818	320,959
Other long-term employee benefits	206,607	206,393
Termination benefits	60,380	146,349
Total key management personnel remuneration expenses¹	3,019,332	2,836,642

The total number of Key Management Personnel that are included in the above table are for 12 Key Management Personnel (2017:10).

Other than Annual leave accrued and Long-service leave, all expenses reflect cash payments made during the year.

1. The above Key Management Personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

On introduction of AASB 124 Related Party Disclosures, the ACMA defined Key Management Personnel as the full time and part time Authority Members, General Managers and the eSafety Commissioner. Note 6.2 and 6.3 relate to the same group of Key Management Personnel, therefore the ACMA has removed Executive Managers from the remuneration note and updated the prior year comparatives.

6.3 Related Party Disclosures

Related party relationships:

The ACMA is an Australian Government controlled entity. Related parties to the ACMA are Key Management Personnel including the Portfolio Minister, full time and part time Authority Members, General Managers, the eSafety Commissioner and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed (2017: nil).

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7. Managing Uncertainties

This section analyses how the ACMA manages financial risks within its operating environment.

7.1 Contingent Assets and Liabilities

Quantifiable Contingencies

The Schedule of Contingencies reports nil probable assets or liabilities for the ACMA in 2018 (2017: nil).

Unquantifiable Contingencies

At 30 June 2018, the ACMA has a number of related contingent liabilities. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

Significant Remote Contingencies

The ACMA has nil remote contingencies as at 30 June 2018 (2017: nil).

Accounting Policy

Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Australian Communications and Media Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7.2 Financial Instruments

	2018	2017
	\$'000	\$'000
Note 7.2A: Categories of Financial Instruments		
Financial Assets		
Loans and receivables		
Cash and cash equivalents	3,100	1,474
Trade receivables	25,196	27,061
Total	28,296	28,535
Carrying amount of financial assets	28,296	28,535
Financial Liabilities		
At amortised cost		
Trade creditors and accruals	4,377	12,052
Total	4,377	12,052
Carrying amount of financial liabilities	4,377	12,052

The carrying value of financial assets and liabilities is a reasonable approximation of fair value.

Accounting Policy

Financial Assets

The only category of financial assets held by the ACMA is "loans and receivables".

These financial assets are not interest bearing, and are recognised and derecognised upon trade date.

Loans and Receivables

Loans and other receivables that have fixed or determinable payments, that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial Liabilities

The only financial liabilities in the ACMA are "Trade Creditors and Accruals".

Financial liabilities are recognised and derecognised upon trade date.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

7.3 Administered Financial Instruments

	2018	2017
	\$'000	\$'000
Note 7.3A: Categories of Financial Instruments		
Loans and receivables		
Cash and cash equivalents	868	502
Goods and services receivables	48	42
Fees, charges and other revenue receivables	31,394	32,470
Total	32,310	33,014
Carrying amount of financial assets	32,310	33,014

Australian Communications and Media Authority NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7.4 Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

Accounting Policy

ACMA engaged the Jones Lang LaSalle (JLL) to conduct a detailed external valuation of non-financial assets in the Land class at 30 June 2018 and has relied upon those outcomes to establish carrying amounts. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Comprehensive valuations are carried out at least once every three years. JLL has provided written assurance to ACMA that the models developed are in compliance with AASB 13 Fair Value Measurement.

The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows:

Adjusted Market Transactions

ACMA controls assets with restrictions that limited marketability. Reference has been made to available sales evidence together with other relevant information related to local economic, property zoning and property market conditions. JLL has utilised professional judgement in determining the fair value measurements.

Physical Depreciation and Obsolescence

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the Depreciated Replacement Cost approach. Under the Depreciated Replacement Cost approach the estimated cost to replace the asset is calculated and then adjusted to take into account physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all Leasehold Improvement assets, the consumed economic benefit / asset obsolescence deduction is determined based on the term of the associated lease.

ACMA's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Note 7.4A: Fair Value Measurement

	2018	2017
	\$000	\$000
Non-financial assets		
Land	7,250	7,190
Buildings on freehold land	177	194
Leasehold improvements	13,582	14,874
Other property, plant and equipment	4,263	4,824
Total non-financial assets	25,272	27,082
Total fair value measurements of assets in the statement of financial position	25,272	27,082

Notes

ACMA's Land assets were measured at fair value on 30 June 2018. ACMA's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all non-financial assets is considered their highest and best use. There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Glossary

3G	<p>third generation mobile network technology</p> <p>Mobile telecommunications systems that can provide global mobile communications and support multimedia applications.</p>
4G	<p>fourth generation mobile network technology</p> <p>Enhancements to mobile telecommunications systems that increase the usable data rate to allow the delivery of data-intensive applications such as high-resolution video.</p>
5G	<p>fifth-generation mobile telecommunications</p> <p>The proposed next iteration of broadband mobile telecommunications services that is expected to provide increased data rates and reduced latency to support greater connectivity and enable machine-to-machine services and the Internet of Things.</p>
ABC	<p>Australian Broadcasting Corporation</p> <p>Free-to-air national broadcaster of ABC radio and television channels, as well as online services, funded by the Australian Government.</p>
ACCC	<p>Australian Competition and Consumer Commission</p> <p>Commonwealth regulatory body with responsibilities derived from the <i>Trade Practices Act 1974</i>.</p>
ACMA	<p>Australian Communications and Media Authority</p> <p>Commonwealth regulatory authority for broadcasting, online content, radiocommunications and telecommunications, with responsibilities under the <i>Broadcasting Services Act 1992</i>, the <i>Radiocommunications Act 1992</i>, the <i>Telecommunications Act 1997</i> and related Acts. Established on 1 July 2005 following a merger of the Australian Communications Authority and the Australian Broadcasting Authority.</p>
AISI	<p>Australian Internet Security Initiative</p> <p>An initiative developed by the ACMA that provides daily reports to Australian internet service providers (ISPs) identifying recent instances of 'compromised' (infected) IP addresses on their networks.</p> <p>On 1 July 2017, responsibility for the AISI program shifted from the ACMA to the Attorney-General's Department.</p>
AMC	<p>Australian Maritime College</p> <p>Provides marine radio operator certification and examination services on behalf of the ACMA.</p>
ANAO	<p>Australian National Audit Office</p> <p>Office responsible for financial and performance audits of Commonwealth departments and authorities.</p>
AP	<p>accredited person</p> <p>Appropriately qualified person who issues frequency assignment certificates for apparatus licences and interference impact certificates for spectrum licences.</p>
AP scheme	<p>accredited persons scheme</p> <p>A market-based solution for frequency coordination and device registration.</p>

APS	<p>Annual Performance Statement</p> <p>Statements prepared by the accountable authority of a Commonwealth entity in accordance with section 39 of the <i>Public Governance, Performance and Accountability Act 2013</i> and section 16F of the PGPA Rule that acquits actual performance against planned performance described in the entity's corporate plan. The statements may be audited by the Auditor-General, and must be provided to the entity's minister and the Finance Minister.</p>
ASL	<p>average staffing level</p> <p>The average number of employees receiving salary or wages over the financial year, with adjustments for casual and part-time employees to show the full-time equivalent.</p>
bandwidth	<p>In the internet industry, bandwidth refers to the capacity of a connection to carry information; in radiocommunications, it is the amount of radiofrequency spectrum used for a particular function.</p>
broadband	<p>Describes a class of internet access technologies, such as ADSL, HFC cable and Wi-Fi, offering a data rate significantly higher than narrowband services. These services are usually 'always on' and do not tie up a telephone line exclusively for data.</p>
BRPI	<p>Better Regulatory Practice Initiative</p> <p>A scheme designed to facilitate an open and constructive dialogue between the ACMA and our stakeholders, allowing us to embed our feedback mechanisms, including input from the Regulator Performance Framework, in a more structured and systematic way. It implements a rolling set of annual priorities that are available on the ACMA website.</p>
BSB	<p>broadcasting services bands</p> <p>Parts of the radiofrequency spectrum dedicated to broadcasting services.</p>
CA	<p>Communications Alliance</p> <p>Australia's peak communications industry organisation that promotes the growth of the Australian communications industry and the protection of consumer interests.</p>
carrier	<p>The holder of a telecommunications carrier licence in force under the <i>Telecommunications Act 1997</i>.</p>
CCF	<p>Consumer Consultative Forum</p> <p>Provides advice to the ACMA on telecommunications issues that affect consumers.</p>
CIS	<p>critical information summary</p> <p>Document from a service provider with clear information about products, plans and services for telecommunications consumers.</p>
cloud computing	<p>Internet-based computing where data and applications are hosted online, stored on remote servers and available to clients on demand through broadband internet-enabled devices.</p>
CPRs	<p>Telecommunications Cabling Provider Rules 2014</p> <p>Rules to support telecommunications cabling industry self-regulation.</p>
CSC	<p>Customer Service Centre</p> <p>The ACMA's single point of contact for customer enquiries.</p>
CSG	<p>Customer Service Guarantee</p> <p>Standard providing for financial compensation to customers where requirements set out in the CSG Standard are not met.</p>

CSP	carriage service provider Person supplying or proposing to supply services to the public using carrier networks.
CTS	Children's Television Standards Standards designed to provide access for children (aged under 14 years) to quality television programs made specifically for them. The standards regulate timing and scheduling of children's programs and content of adjacent programming.
datacasting	A service that delivers content in the form of text, data, speech, music or other sounds, visual images or any other form or combinations of forms, where delivery uses the BSB.
DNCR	Do Not Call Register An Australian Government program administered by the ACMA to allow Australian numbers to be registered to opt out of receiving most unsolicited marketing calls or faxes (with limited exemptions for public interest organisations).
DoCA	Department of Communications and the Arts Australian Government department developing and delivering communications policy and programs.
DSI	domestic systems interference Interference to the reception of radio or television broadcasting, usually in domestic premises.
ECP	Emergency Call Person The Telecommunications (Emergency Call Persons) Determination 1999 specifies the operators of the emergency call services. Telstra is the ECP for 000 and 112.
ECSAC	Emergency Call Service Advisory Committee Formerly the Emergency Services Advisory Committee. Advises on emergency services matters.
ESO	emergency service organisation Organisation providing an emergency service, such as police, ambulance or fire brigade.
Free TV Australia	Industry body that represents all of Australia's commercial free-to-air television licensees. Responsible for developing and reviewing the Commercial Television Industry Code of Practice.
GHz	gigahertz One billion hertz (where one hertz is the measurement of frequency equal to one cycle of electromagnetic radiation per second).
GSM	global system for mobile communications The widely used European digital cellular network standard.
GSM-R	System based on the GSM standard that provides communication and control for railway traffic and signals.
HF	high frequency Radiofrequency spectrum in the 3–30 MHz frequency range.
ICT	Information and Communication Technology
INHOPE	International Association of Internet Hotlines A network whose member hotlines work together with the goal of identifying and removing online child sexual abuse content worldwide.

IoT	Internet of Things The interconnection of many devices and objects utilising internet protocols.
IPND	Integrated Public Number Database Database of information about customers of telecommunications services in Australia, arranged by number, for all carriers and carriage service providers.
ISP	internet service provider Service provider offering internet access.
ITU	International Telecommunication Union United Nations agency that coordinates international telecommunications matters.
ITU-R	ITU—Radiocommunication Sector ITU body dealing with international radiocommunications matters.
kHz	kilohertz One thousand Hertz (see also <i>GHz</i>).
LAP	licence area plan A legislative instrument setting out the licence area and technical specifications for existing and proposed services.
LED	light-emitting diode A two-lead semiconductor light source.
low-impact facilities	Communications facilities that are considered to have a low impact on their environment. They include underground cabling, small radiocommunications antennas and dishes, in-building subscriber connections and public payphones. The <i>Telecommunications Act 1997</i> provides carriers with immunity from state and territory planning laws for the installation of 'low-impact' facilities.
LPON	low-power open narrowcasting Radiocommunications class licence type authorising radio services operating at very low power outputs in the frequency range 87.5–88.0 MHz.
LTE	long-term evolution A suite of radio and core network specifications for the enhancement of mobile networks beyond 3G capabilities. Generally regarded as <i>fourth generation mobile telecommunications (4G)</i> .
MHz	megahertz One million hertz (see also <i>GHz</i>).
the minister	Minister for Communications and the Arts Minister responsible for the ACMA and its governing legislation.
MNP	mobile number portability Portability for mobile phone numbers. See <i>number portability</i> .
NAC	Numbering Advisory Committee ACMA committee established to advise on numbering matters.
narrowband	A class of telecommunications services such as dial-up internet access that offer data rates of 64 kbit/s or lower.

NATA	National Association of Testing Authorities Australia's national laboratory accreditation authority that recognises and promotes facilities competent in specific types of testing, measurement, inspection and calibration.
NBN	national broadband network Australia's national wholesale-only, open-access data network.
NBN Co	NBN Co Limited Wholly owned Australian Government company, created to design, build and operate Australia's new broadband network.
NRF	Network Reliability Framework Requirement on Telstra from January 2003 to provide regular reports to the ACMA on the reliability of its fixed-line services, and to remediate the network in areas with particularly poor performance.
NRS	National Relay Service Translation service between voice and non-voice telephone users providing access to the standard telephone service for people with communication impairment. Relays voice, modem or telephone typewriter communications.
number portability	Arrangements allowing customers to transfer from one telecommunications service provider to another without changing their number.
Office of the eSafety Commissioner (the Office)	Established as an independent statutory office within the ACMA, the Office leads online safety advice and education for the Australian Government and operates a complaints system so Australian children and young people can report serious cyberbullying. Formerly the Office of the Children's eSafety Commissioner.
OSCWG	Online Safety Consultative Working Group Advice forum attended by key representatives from industry, government and non-government organisations, providing opportunity for the eSafety Commissioner to consult on issues that contribute to improving the safety of Australian children online.
PBS	Portfolio Budget Statements Informs senators and members of parliament of the proposed allocation of resources to government outcomes by agencies within the relevant portfolio.
payphone	Public telephone where calls may be paid for with coins, phone cards, credit cards or reverse charge facilities.
PCA	priority compliance area
portability	See <i>number portability</i> .
pre-selection	Offers customers choice and supports competition by enabling competing operators to use the networks of other carriers to access their customers.
priority assistance	Service for people with a diagnosed life-threatening medical condition entitling them to faster connection and fault repair of their fixed-line telephone service.
RPF	Regulator Performance Framework Developed to measure the efficiency and effectiveness with which regulators undertake their roles; in particular, their impact on regulated entities.

SBS	<p>Special Broadcasting Service</p> <p>Free-to-air national radio and television broadcasting service providing multilingual and multicultural programs that inform, educate and entertain all Australians and, in doing so, reflect Australia's multicultural society. The SBS Online service also provides additional multilingual content through the internet.</p>
SES	<p>Senior Executive Service</p>
SID	<p>Spam Intelligence Database</p> <p>Designed and built in-house, SID is the ACMA's high-performance spam analysis system, capable of processing hundreds of thousands of spam email messages per day. SID analyses all components of an email and stores the data in such a way that it can be easily searched, categorised and linked to data from other emails with similar characteristics.</p>
SMS	<p>short message service</p> <p>Mobile telecommunications data transmission service that allows users to send short text messages to each other using the mobile handset keypad.</p>
spam	<p>Unsolicited commercial electronic messages sent to email, mobile phone and instant messaging accounts.</p>
spectrum	<p>The span of electromagnetic frequencies used in communications systems.</p>
smartnumbers	<p>Specified freephone (1800) or local rate (13 or 1300) numbers that are considered desirable because they can be translated to a phoneword or have a memorable pattern.</p>
subscription television	<p>Service providing access, for a fee, to television channels transmitted using cable, satellite or terrestrial microwave.</p>
TCP Code	<p>C628:2015: Telecommunications Consumer Protections Code</p> <p>Code of conduct for the telecommunications industry in Australia providing consumer safeguards for mobile, landline and internet customers.</p>
TIO	<p>Telecommunications Industry Ombudsman</p> <p>Industry-funded independent dispute resolution service for consumers who are unable to resolve individual complaints with their carriers and carriage service providers.</p>
TLAP	<p>television licence area plans</p> <p>Planning instruments for television broadcasting services, specifying and allotting channels to particular providers of television services and determining the characteristics.</p>
trigger event	<p>Relates to commercial regional radio licences and includes a transfer of a licence; or formation of a new registrable media group which includes a regional commercial radio broadcasting licence; or change of controller of a registrable media group that includes a regional commercial radio broadcasting licence.</p>
Triple Zero (000)	<p>Phone number that provides access to emergency services organisations.</p>
UHF	<p>ultra high frequency</p> <p>Part of the radiofrequency spectrum between 300 and 3,000 MHz.</p>
USO	<p>universal service obligation</p> <p>Obligation under the <i>Telecommunications Act 1997</i> to ensure that standard telephone, payphone and prescribed carriage services are reasonably accessible to all people in Australia on an equitable basis, wherever they reside or carry on business.</p>

VAST	Viewer Access Satellite Television Australian Government-funded free-to-air satellite that provides digital television to viewers in remote areas of Australia who are unable to receive digital TV through their normal TV antenna.
VHF	very high frequency Portion of the radiofrequency spectrum between 30 and 300 MHz.
WIA	Wireless Institute of Australia Provides examination services to the amateur radio community on behalf of the ACMA.
WRC	World Radiocommunication Conference ITU conference held every three or four years to review and amend international radio regulations.

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