Annual report 2014–15

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Part 1—The year in review

# Chairman’s foreword

This is the 10th annual report of the Australian Communications and Media Authority (the ACMA) and, since I am reaching the statutory limit on my term as an Authority Member, the final one for which I will be providing a foreword. In such circumstances, it is hopefully understandable if my remarks here reflect not only on what has happened during the last year or so but also a little perspective on the last decade.

The ACMA has had to work with a diverse collection of legislated objectives, conceived as the ACMA was to bring regulatory coherence to the convergence of the four ‘worlds’ of telecommunications, broadcasting, radiocommunications and the internet. This has been our key operational challenge over the last 10 years—bridging the gap between the legacy legislative architecture and the complex and constantly changing networked environment that now characterises media and communications.

We have sought to evolve our regulatory practice to suit the times, adapting existing tools to new purposes and extending our influence in the market by using communication and facilitation techniques, extending forbearance and exercising regulatory discretion where possible. However, these ‘workaround’ mechanisms have themselves come under strain, as the gap between legacy forms and the complex reality of modern communications has continued to widen.

In this context, the ACMA has this year worked diligently to engage with the required self-assessment under the government’s Regulator Performance Framework (RPF), released in October 2014. We have received feedback from industry stakeholders on a set of indicators and a self-assessment methodology developed to support the implementation of the RPF and will issue our first formal report under the RPF in December 2016.

We welcome the opportunity to undertake this assessment, as one helpful part of evaluating our success in achieving public interest outcomes across our broad and varied remit. Coincident with our 10th anniversary, the Minister for Communications announced a ‘root and branch’ review of the ACMA. The impulse for this review dovetails neatly with the three ‘tent-pole’ thought leadership pieces progressively published by the ACMA to frame the question of the future of regulation in communications and media—*Broken concepts* (published in August 2011, updated in 2013), *Enduring concepts* (November 2011) and *Connected citizens* (June 2013).

Taken together, and combined with the most recent update of our occasional paper *Optimal conditions for effective self- and co‑regulatory arrangements* (June 2015), they frame the view that it is indeed time to consider the regulatory framework for media and communications. They articulate and support the proposition—borne of the ACMA’s day-to-day engagement with the marketplace and its broad array of stakeholders—that the current arrangements for media and communications legislation and regulation in Australia are under strain and increasingly unsuited to optimising the public interest. The opportunity for all portfolio stakeholders to engage fully with the promise of a ‘first principles’ look at regulation in our dynamic and complex communications environment is very welcome.

Another fundamental review coincident with our decade of work is the government’s current spectrum review. I am hopeful that the implementation of the recommendations from this review will result in a paradigm-shifting overhaul of the Radiocommunications Act and, as a consequence, how the ACMA can manage spectrum. This will be a signature opportunity to continue the ACMA’s renaissance in spectrum management we sought to effect. The public face of that renaissance*—RadComms*, our annual conference on spectrum issues—was first held in 2006. This initiative ushered in a rolling spectrum strategy—theFive-year spectrum outlook, first released in 2008 and continued each year thereafter.

In my assessment, our strategic spectrum work reached a high point in 2012–13 when we concluded the innovative digital dividend auction process to reallocate spectrum previously required for simulcasting analog and digital television transmissions. The allocation of the 700 MHz digital dividend via an auction was the third and concluding step to three important tranches of work in the switch to digital-only television broadcasting. The first was completing the switchover to digital television, while the second was to successfully clear all digital television services from the identified digital dividend band (694–820 MHz)—commonly referred to as ‘the restack’.

As the national spectrum manager, the ACMA has played a critical role over the last decade in facilitating continued growth in mobile broadband capacity. Australia is currently well placed to provide spectrum for mobile broadband services, and the release of spectrum has been harmonised with international arrangements and is consistent with international standards. The ACMA continues to be an active contributor on global spectrum management issues at forums such as the International Telecommunication Union (ITU) and Asia–Pacific Telecommunity (APT), and this year is coordinating the Australian contribution to the World Radiocommunication Conference in November 2015.

One outstanding example of this international engagement was our involvement over a number of years in developing and promoting the APT plan for 700 MHz, which is now being adopted or seriously considered in markets with a combined population of over two billion people. Australia fully participated with other countries in the region in developing, from the ground up, a new internationally harmonised plan optimised for mobile broadband, using the spectrum in the 700 MHz band freed by broadcasting’s digital switchover. Harmonisation on such a scale will lead to materially cheaper 4G LTE (Long Term Evolution) devices (including smartphones and tablets), while international roaming is also made easier.

A further example of international cooperation and coordination is in the area of online child sexual abuse material, with the ACMA an active participant in INHOPE. And, through the multi-country agreements with those who participate in the London Action Plan, the ACMA has made international cooperation a key element in a multi-tiered strategy to combat spam and unsolicited telemarketing.

These international linkages have complemented our domestic remit to deliver online consumer and citizen protection. The Australian Internet Security Initiative is a unique program that sees the ACMA partnering with ISPs to address the threat of malware. Another example, primarily focused on information and skills-building, has been our Cybersafety programs, which began in 2007–08 when the internet safety agency NetAlert merged with the ACMA. From 1 July 2015, this highly successful program (together with the ACMA Hotline for offensive and illegal online content and Cybersmart activities) passed to the Office of the Children’s eSafety Commissioner, although these will still be serviced by the ACMA. Throughout 2014–15, the ACMA has worked to ensure this new body was up and running from day one of its formal establishment.

An important milestone was reached in February 2015 when the 10 millionth number was listed on the Do Not Call Register. Of numbers listed on the register, 45 per cent are mobile numbers, On average, almost 3,500 numbers have been added to the register every day since it launched in May 2007.

One consistently high-profile aspect of the ACMA’s work has been various broadcasting investigations, which are frequently matters attracting public attention. Rather than add to the notoriety or profile of any particular case, I’ll merely note that various review outcomes this year have demonstrated the rigour of our work in this domain. In 2013–14, our *Contemporary community safeguards inquiry* examined how effectively regulation manages what people see and hear on television and radio, and whether the protections the community expects are being maintained in line with rapid changes in society. The inquiry was brought to a successful resting point with the release of a consolidated report.

To further consolidate our general communication of content regulation perspectives, this year we developed the *Investigations concepts* series of papers to help a broad range of stakeholders better understand the ACMA’s approach to the broadcasting code requirements. Topics included ‘Accuracy’; ‘Fairness, impartiality and viewpoints’ and ‘Decency, classification, and harm and offence’.

Another key activity for the ACMA has been the body of work that began in 2010 with our formal inquiry into customer service and complaints-handling in the telecommunications industry—part of a broad strategy called *Reconnecting the Customer* (RTC), the outcome of which was that industry re-engaged with key consumer issues. Following a groundbreaking report, the inquiry culminated in the registration of a new Telecommunications Consumer Protections (TCP) Code on 1 September 2012 that has helped ever since reset the norms of behaviour and customer service for the industry.

Of course the TCP Code has not been the whole story. Key industry players have also stepped up to take customer service seriously and with a view to being a sustainable product and brand differentiator. This is now being dramatically reflected in statistics from the Telecommunications Industry Ombudsman (TIO). The ACMA has also not rested on its laurels, continuing with multi-faceted compliance work over the last year in areas such as complaints-handling policy and practices; usage alert notifications for data, voice calls and SMS; lodgement of documents with the industry compliance body and the provision of a critical information summary to customers.

The ACMA’s long-term strategic numbering work since 2010 includes remaking, in 2015, the Telecommunications Numbering Plan (to provide flexible, efficient and effective numbering arrangements for the future communications environment) and outsourcing the ACMA’s numbering allocation and administrative services to ZOAK Solutions Pty Ltd (which will over time deliver significant cost savings to industry).

Having already been a significant portfolio contributor to the government’s red-tape reduction program, at the start of 2014–15 the ACMA restructured to respond further to continued financial pressures and our dynamic role in the context of media and communications reform in Australia. The successful and relatively seamless implementation of this change, as well as various prior structural adjustments, highlights the ongoing effectiveness of the ACMA’s transformational program, which was first launched in 2007.

This program has been a vigorous investment in leadership, a reinvention of processes, the eradication of legacy systems and a heightened focus on the policy context. Having placed a premium on agility and resilience, I am pleased to report that the resultant organisation has embraced an outcomes focus and the application of innovative thinking to match the realities of an ever-changing environment.

On a personal note, the level of engagement and commitment from the ACMA staff and Members of the Authority through our transformation, as well as in our myriad other activities, has made the last 10 years the most professionally interesting and stimulating of my career, and a delight to reflect on and report.

Chris Chapman
Chairman

# At a glance—significant issues and developments

**BROADCASTING**

*Maintain effective broadcasting and community standards*

* New broadcasting complaints processes—see Deliverable [*Maintain effective broadcasting and community standards*](#maintain_OV)and [*Investigations conducted by the ACMA in 2014–15*](#Invest)*.*
* Industry review of the Commercial Television Industry Code of Practice 2010, see [*Code reviews*](#Code_rev).
* High Court of Australia judgement, see Appendix 12 (refer to PDF).

**TELECOMMUNICATIONS**

*Promotion of competition, efficiency and innovation in the Australian telecommunications industry*

*Maintain effective telecommunications safeguards*

* Numbering reform, see [*Numbering reform activities*](#Num_ref).
* New arrangements for mobile calls to 1800 and 13/1300 numbers, see [*New arrangements for mobile calls to 1800 and 13/1300 numbers*](#new_arr).
* TCP Code compliance, see Deliverable[*Maintain effective telecommunications safeguards*](#Main_telco)and [*The TCP Code*](#TCP_Code).

**SPECTRUM MANAGEMENT**

*Effective allocation and use of the radiofrequency spectrum*

*Minimisation of unacceptable interference to radiocommunications*

* Early access to the 700 MHz band, see Deliverable [*Effective allocation and use of the radiofrequency spectrum*](#Effect_radio) and [*Early access to the 700 MHz band*](#early_700).
* Access to the 1800 MHz band, see Deliverable [*Effective allocation and use of the radiofrequency spectrum*](#Effect_radio) and [*1800 MHz band*](#band_1800).
* MOU with ARPANSA, see [*Electromagnetic energy*](#Elec_ener)*.*

**THE INFORMATION ECONOMY**

*Promote engagement in the information economy and evolving networked society*

* AISI portal, see Deliverable [*Promote engagement in the information economy and evolving networked society*](#promote_Ov)and [*Cybersecurity*](#cybersecurity)*.*
* Cybersmart program, see [*Cybersafety—the Cybersmart program*](#Cybersafety).
* research**acma** program, see Deliverable [*Promote engagement in the information economy and evolving networked society*](#promote_Ov)and [*research****acma***](#researchacma)*.*

**LICENSING & NUMBER ALLOCATION**

*Administration of licensing and number allocation arrangements*

* 400 MHz band implementation, see Deliverable [*Administration of licensing and number allocation arrangements*](#Admin_Ov)and [*400 MHz band implementation*](#band_400).
* Expiring spectrum licences, see Deliverable [*Administration of licensing and number allocation arrangements*](#Admin_Ov)and [*Expiring spectrum licences*](#Exp_lic)*.*
* Marine radio, see [*Marine radio certificates of proficiency and operator examinations*](#Marine_1), [*Review of marine radio operator qualifications for recreational boaters*](#marine_2) and [*Amateur radio operator examination services*](#marine_3).

**INTERNET**

*Maintain effective online content and community standards*

* Combating *child exploitation material online* (CCEMO) forum, see Deliverable [*Maintain effective online content and community standards*](#main_online)and [*CCEMO forum*](#CCEMO).
* Online content complaints, see [*Online content complaints*](#Online_comp).

**EMERGENCY SERVICES & LAW ENFORCEMENT**

*Provision of appropriate and reasonable support to law enforcement, emergency services and national security*

*Work in partnership with industry to improve the performance of Australia’s emergency call services*

* Identity-checking requirements for pre-paid mobile phone services, see [*Identity-checking requirements for pre-paid mobile phone services*](#ID)*.*
* Improved mobile location for emergency service organisations, see Deliverable [*Provision of appropriate and reasonable support to law enforcement, emergency services and national security/Work in partnership with industry to improve the performance of Australia’s emergency call services*](#Prov_Work) and [*Improved mobile location for emergency service organisations*](#Imp_mobile)*.*
* Reducing the volume of non-emergency calls, see [*Reducing the volume of non-emergency calls*](#Red_non)*.*

**BETTER TARGETED REGULATION**

*Develop and maintain appropriate regulatory settings for an information economy and network society*

* De-regulation work plan, see [*Better targeted regulation*](#Better_reg).
* Regulatory best-practice and development research, see [*Regulatory best-practice and development research*](#Reg_research).

**UNSOLICITED COMMUNICATIONS**

*Minimise unsolicited spam and telemarketing communications*

* Unsolicited communications compliance, see Deliverable [*Minimise unsolicited spam and telemarketing communications*](#Min_Ov)and [*Unsolicited communications compliance*](#Unsol_comp).
* Do Not Call Register, see Deliverable [*Minimise unsolicited spam and telemarketing communications*](#Min_Ov)and [*Do Not Call Register*](#DNCR).

Part 2—Agency overview

# Chapter 1: About the ACMA

Chapter 1 details the functions, structure and corporate governance that enable the ACMA to perform its role, administer regulations and legislation, and deliver its services.

## Functions and responsibilities

The ACMA’s regulatory functions and responsibilities are set out in Part 2, Division 2 of the *Australian Communications and Media Authority Act 2005* (the ACMA Act). During the reporting period, the ACMA was a statutory authority within the Communications portfolio. The Department of Communications has changed its name to the Department of Communications and the Arts in accordance with the Administrative Arrangements Orders issued on 21 September 2015.

The ACMA is responsible for the regulation of broadcasting, the internet, radiocommunications and telecommunications.

In accordance with the relevant legislation, the ACMA’s specific responsibilities include:

* regulating telecommunications and broadcasting services, internet content 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
* promoting and facilitating industry self-regulatory and co-regulatory solutions to emerging issues
* where necessary, exercising powers 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.

## Strategic work program

To enhance the ability to effectively deliver against the ACMA’s outcome of a communications and media environment that balances the needs of the industry and the Australian community through regulation, education and advice, the ACMA has framed its strategic work program around five Key Results Areas (KRAs).:

The ACMA’s KRAs are:

* KRA 1—That the allocation and use of public resources maximise the public value to the Australian community.
* KRA 2—That national safety and security interests are appropriately supported in the planning and delivery of communication infrastructure services.
* KRA 3—That consumer, citizen and audience safeguards are effective, reflect community standards and deliver on consumer experience.
* KRA 4—That citizens engage positively, confidently and securely in the developing information economy and evolving networked society.

KRA 5—That the ACMA remains relevant as an increasingly resilient, agile, efficient and knowledge-based organisation.

These KRAs are mapped and contribute directly to the strategies and deliverables contained within the Portfolio Budget Statements. The use of the KRAs lends coherence to the implementation of the ACMA strategic vision. The KRAs are used in business planning within the organisation and to structure the ACMA corporate plan.

## Structure

### The Authority

At 30 June 2015, the Authority comprised the Chairman, the Deputy Chair, one Full‑time Member, four Part-time Members and one Associate Member (see Table 1).

Chairman—Chris Chapman

*Appointed 27 February 2006 for five years*

*Reappointed 14 October 2010 for five years*

*Reappointed 28 March 2013 until 26 February 2016*

Chris Chapman commenced as the inaugural Chairman and CEO of the ACMA in February 2006. He was also appointed an Associate Member of the Australian Competition and Consumer Commission (ACCC) in September 2007.

Mr Chapman has had an extensive career including leadership roles in the media; broadcasting and film; internet, telecommunications and internet business; and the sports and infrastructure sectors. Before joining the ACMA, Mr Chapman held a number of senior management positions with Babcock & Brown, Optus, Stadium Australia Management and the Seven Network. Mr Chapman has also been the Chairman of Film Australia and SportsVision Australia, and a previous member of the National Film and Sound Archive’s Advisory Council.

Mr Chapman has a Bachelor of Laws and a Bachelor of Commerce from the University of New South Wales, and has completed the Harvard Business School Advanced Management Program (AMP).

Deputy Chair—Richard Bean

*Appointed 14 October 2010 for five years*

Richard Bean has worked in a variety of senior roles in Australia’s media and communications industries. Before joining the ACMA, he oversaw the legal and regulatory affairs and human resources functions at Unwired, the wireless broadband infrastructure owner and ISP.

He had previously held positions responsible for the legal and business affairs side of Network Ten’s programming activities, and practised as a commercial, media and litigation lawyer at national commercial law firm Blake Dawson. Prior to that, Mr Bean worked in program administration and policy development in a number of Australian Government organisations.

Mr Bean holds an honours degree in Literature and Philosophy from the University of Sydney, and a law degree from the University of New South Wales.

Full-time Member—Chris Cheah

*Appointed 1 July 2005 for four years*

*Reappointed 1 July 2009 for five years*

*Reappointed 1 July 2014 for one year until 30 June 2015*

Chris Cheah was previously head of the Telecommunications Division of the then Department of Communications, Information Technology and the Arts (now DoC), advising the government on telecommunications issues. He has also managed accessibility funding programs and held positions with Austel and Telstra.

Part-time Member—Louise Benjamin

*Appointed 14 October 2010 for five years*

Louise Benjamin has extensive experience in media and telecommunications, from both a regulatory and executive perspective. Prior to joining the ACMA, Miss Benjamin held senior strategy positions with News Ltd and Foxtel. She was a competition law partner at Allens Arthur Robinson from 1995 to 2004 and the national Chair of the Law Council of Australia's Trade Practices Committee, which plays a significant role in competition law policy. She has also served as Deputy Chair of the Australian Publishers’ Bureau.

Miss Benjamin holds a Bachelor of Arts, Bachelor of Laws and Master of Laws from the University of Sydney.

Part-time Member—Anita Jacoby

*Appointed 5 August 2013 for five years*

Anita Jacoby is one of Australia’s most experienced media professionals. In a career spanning 30 years, she’s worked as a journalist and editor in print and publishing, and produced TV programs for every major network. For 10 years, Anita was an executive with Zapruder’s other films, an independent TV production company creating original content including *Gruen Planet* and *Enough Rope*.

Anita is currently Managing Director of ITV Studios. She is also a director of Headspace and the Arts Law Centre of Australia.

Part-time Member—James Cameron

*Appointed 5 August 2013 for five years*

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.

James has also represented government agencies in parliament, in the media, at conferences and internationally.

Part-time Member—Rosemary Sinclair

*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 2011–2012. She was also CEO of the Australian Telecommunications Users Group and Director of Strategic Development at the Australian Broadcasting Corporation.

Associate Member—Rod Sims

*Appointed 1 August 2011 for five years*

Rod Sims was appointed Chairman of the ACCC in August 2011 for a five-year term.

Mr Sims has extensive business and public sector experience as Chairman of the Independent Pricing and Regulatory Tribunal of New South Wales, Chairman of InfraCo Asia, Commissioner on the National Competition Council, Director of Ingeus Limited, and member of the Research and Policy Council of the Committee for Economic Development of Australia. Mr Sims was also a Director of Port Jackson’s Partners Limited, where he advised the CEOs and boards of some of Australia's top 50 companies on commercial corporate strategy over many years.

1. The Authority membership, 30 June 2015

|  |  |  |
| --- | --- | --- |
| Role | Name | Appointment date |
| Chairman and Chief Executive Officer\* | Chris Chapman | 27 February 2006 for five yearsReappointed 14 October 2010 for five years Reappointed 28 March 2013 until 26 February 2016 |
| Deputy Chair | Richard Bean | 14 October 2010 for five years |
| Full-time Member | Chris Cheah | 1 July 2005 for four yearsReappointed 1 July 2009 for five years Reappointed 1 July 2014 for one year to 30 June 2015 |
| Part-time Member | Louise Benjamin | 14 October 2010 for five years |
| Part-time Member | Anita Jacoby | 5 August 2013 for five years |
| Part-time Member | James Cameron | 5 August 2013 for five years |
| Part-time Member | Rosemary Sinclair | 5 August 2013 for five years |
| Associate Member | Rod Sims | 1 August 2011 for five years |

\*From 1 July 2014, for the purposes of the PGPA Act 2013, the Chair is the accountable authority of the ACMA.

### Corporate structure

The ACMA’s day-to-day activities are managed by an executive team comprising the Chairman, the Deputy Chair, the Full‑time Member, four general managers and 11 executive managers.

The ACMA’s corporate structure at 30 June 2015 is set out in Figure 1.

At 30 June 2015, the ACMA employed 470 staff under the *Public Service Act 1999*, most of whom are located in the ACMA’s offices in Canberra, Melbourne and Sydney. The ACMA also has field offices in Brisbane, Hobart and Parramatta.

The ACMA will continue to provide service within acceptable time frames to all areas of Australia by utilising field staff from its Melbourne, Sydney, Canberra, Brisbane and Hobart offices. Contact details for offices are provided in Appendix 1. Detailed information about the ACMA’s staff is provided in Appendix 3.

1. ACMA corporate structure as at 30 June 2015



# Chapter 2: Revenue and fees

## Revenue collection

The ACMA collects revenue on behalf of the Australian Government through broadcasting, radiocommunications and telecommunications taxes, charges and licence fees. It also administers non-regular revenue from spectrum auctions.

In 2014–15, the ACMA administered $2,789.16 million of revenue (2013–14: $656.98 million) and nil expenses (2013–14: nil). The significant increase in revenue is due to the digital dividend spectrum auction and expiring 15 year‑spectrum licences (see Figure 2).

1. Revenues and expenses administered on behalf of government



## Revenue and fees

The ACMA is responsible for the efficient regulation and allocation of public resources such as telecommunications numbering and the radiofrequency spectrum. It also collects annual revenues through broadcasting, radiocommunications and telecommunications licence taxes, levies, fees and charges. The administration of taxes, levies, fees and charges plays a key role in the planning, allocation and use of public resources. These public resources are indispensable inputs to industry in the innovative and dynamic communications sector of the economy.

Where feasible under the applicable legislation, the ACMA sets fees, taxes and charges so they support the effective use of public resources. They also recover the costs of regulating the industry. In accordance with government cost-recovery policy and guidelines, and where it is cost-effective, the ACMA seeks to charge individuals or firms for the costs of providing the activity.

Revenue raised by the ACMA in taxes, charges, levies and other revenue is shown in tables 2 to 5.

1. Resource taxes

| Description | Revenue in 2013–14 ($m) | Revenue in 2014–15 ($m) |
| --- | --- | --- |
| Reissue of 15-year spectrum licences^ | nil | 172.39 |
| Apparatus auctions | 0.04 | 0.20 |
| Number auctions | 1.54 | 1.66 |
| Spectrum licence tax | 0.32  | 0.37 |
| Annual numbering charge | 60.00 | 60.00 |
| Apparatus licence tax | 171.00 | 149.14 |
| Broadcasting licence fees and datacasting charge\* | 157.19 | 185.35 |
| Digital dividend spectrum auction | nil | 1,953.77 |
| **Total taxes** | 390.09 | **2,522.88** |

^Previously reported as ‘Spectrum auctions’.

\*Relates to 2013–14 return period plus accrued estimates for 2014–15.

1. Cost recovery charges

|  |  |  |
| --- | --- | --- |
| Description | Revenue in 2013–14 ($m) | Revenue in 2014–15 ($m) |
| Annual carrier licence charge | 38.30 | 38.65 |
| Fee-for-service charges | 3.92 | 3.26 |
| Do Not Call Register charges | 3.30 | 2.41 |
| **Total charges** | 45.52 | **44.32** |

1. Industry levies

|  |  |  |
| --- | --- | --- |
| Description | Revenue in 2013–14 ($m) | Revenue in 2014–15 ($m) |
| Telecommunications Industry Levy (TIL) | 220.81 | 221.00 |
| **Total levies** | 220.90 | **221.00** |

1. Other administered revenue

|  |  |  |
| --- | --- | --- |
| Description | Revenue in 2013–14 ($m) | Revenue in 2014–15 ($m) |
| Fines and penalties | 1.15 | 0.19 |
| Other | 0.47 | 1.76 |
| **Total other administered revenue** | 1.62 | **1.95** |

### Telecommunications services funding

In 2011, the government signed an agreement with Telstra for basic universal telecommunications service outcomes during and after the rollout of the nbn network. Public policy reforms to support the transition to the nbn network included establishing the Telecommunications Universal Service Management Agency (TUSMA) under the *Telecommunications Universal Service Management Agency Act 2012* (TUSMA Act). TUSMA commenced operations from 1 July 2012 to deliver the government’s public policy objectives in the telecommunications sector, including giving all Australians reasonable access to a standard telephone service and payphones (the universal service obligation or USO) and managing emergency call-handling and the National Relay Service (NRS).

The funding of these telecommunications services and TUSMA’s administrative costs were provided by the government, with the remainder shared by a telecommunications industry levy (TIL) on telecommunications carriers that earn above $25 million.

On 20 October 2014, the ACMA made a written assessment under the TUSMA Act of each participating person’s TIL for the 2013–14 eligible levy period, which was based on eligible revenue for the 2012–13 period. The total TIL assessed was $221 million, based on the Minister for Communication’s advice of 24 September 2014. A participating person is a carrier that earns eligible revenue of $25 million or more for an eligible revenue period.

### Eligible revenue assessment

Any person holding a telecommunications carrier licence for any time during an eligible revenue period is required to submit an eligible revenue submission so that the ACMA may determine each carrier’s eligible revenue. Carriers that earn revenue below $25 million during an eligible revenue period and submit an eligible statutory declaration to the ACMA by 31 October of the relevant period are not required to submit an eligible revenue return, and are exempt from the TIL and the annual carrier licence charge. For the 2013–14 eligible revenue period, participating persons were required to lodge submissions with the ACMA by 31 October 2014. The ACMA made a written assessment of participating persons’ eligible revenue for the 2013–14 eligible revenue period on 7 May 2015.

The primary function of the eligible revenue process is to determine the contribution that each participating person makes to the cost of providing the USO and NRS, based on its proportion of total industry eligible revenue. The eligible revenue process is also used to determine each participating person’s contribution to annual carrier licence charges.

The ACMA’s written assessment of each participating person’s eligible revenue for the 2013–14 eligible revenue period will be used to determine the TIL and annual carrier licence charge (ACLC) for each participating person for the 2014–15 eligible levy period.

### Annual carrier licence charges

Annual carrier licence charges are imposed under the *Telecommunications (Carrier Licence Charges) Act 1997* on participating carriers under cost recovery arrangements in order to recover the costs incurred by the ACMA, ACCC and Australian Government in regulating the telecommunications industry. 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.

In 2014–15, the total annual carrier licence charge was $38.65 million.

### Do Not Call Register access fees

Annual subscription fees for telemarketers and fax marketers to check their call lists against the Do Not Call Register ranged from $79 (to check or ‘wash’ up to 20,000 numbers against the register) to $90,000 (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.

### Numbering charges

On behalf of the Australian Government, the ACMA collects a set amount of revenue each year from carrier service providers (CSPs) that hold telephone numbers. The ACMA collects this revenue through the annual numbering charge (ANC), which remains at $60 million (2013–14 $60 million).

CSPs are liable for the charges they incur for the numbers they hold on the census date. The census date is in April, with the exact date determined by the ACMA each year. The census date for 2014–15 was 12 April 2015. To enable the ACMA to determine the quantity of numbers held by each CSP on the census date, an embargo on the surrender of most numbers commences 15 working days prior to the census date each year. In 2014–15, the embargo commenced on 19 March 2015.

Amount of charge

The base number charge for 2014–15 was $0.6546107728. Employing the opportunity-cost methodology applied in previous years, nine-digit numbers were charged at $6.546107728, eight-digit numbers at $65.46107728 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 allocated to a CSP for the purposes of providing a standard telephone service to a customer are exempt from the charge.

At 30 June 2015, the ACMA had received $44.79 million of the $60 million revenue target, and is actively recovering the outstanding amounts. The amounts outstanding for each CSP are shown in Table 6.

1. Annual numbering charge amounts outstanding at 30 June 2015

|  |  |
| --- | --- |
| CSP | Amount outstanding ($) |
| iseek Communications Pty Ltd | $6,436.13  |
| Live Connected | $11,248.83  |
| Lycamobile Pty Ltd | $1,200,466.48  |
| Netsize Pty Ltd | $29,653.87  |
| Novatel Telephony Pty Ltd | $65,461.08  |
| Optus Mobile Pty Limited | $7,709,663.98  |
| Optus Networks Pty Limited | $3,622,244.20 |
| PowerTel Limited | $7.20 |
| Singtel Optus Pty Limited | $738,547.58 |
| Vaya Pty Ltd | $84,182.95 |
| Virgin Mobile (Australia) Pty Limited | $1,709,590.00 |
| Yatango Mobile (Australia) Pty Ltd | $33,699.36 |
| **Total** | **$15,211,201.66** |

Note: Does not include late payment penalties that apply after 15 June 2014, the due date for payment.

### Number auctions

The smartnumbers online auction system was introduced in 2004 to allocate certain freephone and local rate numbers (FLRNs)—13, 1300 and 1800 numbers. In 2014–15, the ACMA sold 4,330 smartnumbers and received $1,655,795 in revenue—the corresponding figures for 2013–14 were $1.54 million in revenue raised from the sale of 3,891 smartnumbers. The ACMA continued to meet its KPIs for smartnumbers auctions. The ACMA decided to replace the smartnumber auction system with an over-the-counter system to reduce the delay, uncertainty and complexity. It commenced operation in August 2015.

### Apparatus licence taxes

The ACMA uses 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 determinate, consistent, equitable and transparent. The formula encourages efficiency by making taxes higher in congested locations and spectrum bands, making taxes proportional to the bandwidth and giving discounts for low power.

In March 2015, the ACMA remade the Radiocommunications (Transmitter Licence Tax) Determination 2015and Radiocommunications (Receiver Licence Tax) Determination 2015to reflectannual CPI adjustments of three per cent and other updates related to the sunsetting process. The CPI adjustment reflects price changes from July 2013 to June 2014 and applies to all licence taxes except for fixed services operating below 960 MHz in remote density areas. Other updates made to the Transmitter Licence Tax Determination included changes in the census year and geographical areas for Public Mobile Telecommunications Services, and the addition of a new tax in the 3.5 GHz band.

As part of its sunsetting process, the ACMA also remade the Radiocommunications Taxes Collection (Penalties on Unpaid Tax) Determination 2015, which sets out the penalty amounts and collection procedure for unpaid licence tax payable by apparatus licence holders. The method of calculating the penalty interest remains unchanged.

Table 7 shows total revenue from radiocommunications apparatus licences collected by the ACMA in 2014–15.

1. Revenue from radiocommunications apparatus licences, 2014–15

|  |  |
| --- | --- |
| Type of licence | Revenue 2014–15 ($m) |
| *Assigned licences* |
| Public telecommunications service | 57.813 |
| Fixed | 59.417 |
| Land mobile | 21.234 |
| Satellite\* | 4.429 |
| Defence | 10.435 |
| Other | 3.281 |
| **Total assigned licences** | 156.609 |
| *Non-assigned licences* | *1.464* |
| **Total** | **158.073** |

\*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. It allows the ACMA to recover from spectrum licensees the indirect costs of spectrum management activities such as international coordination, domestic planning, interference investigation and policy development. The spectrum licence tax is calculated based on the bandwidth and the population covered in a licence. In 2014–15, the ACMA collected approximately $0.37 million in spectrum licence tax.

### Broadcasting licence fees and datacasting charge

The ACMA collects broadcasting licence fees (BLF) from commercial radio and television broadcasting licence-holders under the *Television Licence Fees Act 1964* (TLF Act) and *Radio Licence Fees Act 1964*. Supporting documentation is required under sections 205B and 205C of the *Broadcasting Services Act 1992* (BSA)*.* Fees are calculated as a percentage of the gross earnings of the licence-holders for each BLF period, less any rebates that apply.

In December 2014, television broadcasters paid a total of $148.09 million and radio broadcasters a total of $24.83 million for the 2013–14 BLF period.

Table 8 shows total BLF collected by the ACMA in the last three financial years.

1. Broadcasting licence fees, 2012–13 to 2014–15

|  |  |  |
| --- | --- | --- |
|  | Number of licences | Total ($m) |
| 2012–13 | 2013–14 | 2014–15 | 2012–13 | 2013–14 | 2014–15 |
| Radio BLF^  | 273 | 273 | 273 | 24.40 | 21.60 | 24.83 |
| TV BLF obligation | 69 | 69 | 69 | 294.80 | 144.56\* | 149.26\* |
| Less digital TV conversion rebate |  |  |  | 2.30 | 1.21 | 1.17 |
| Less BLF rebate |  |  |  | 143.4 | n/a\* | n/a\* |
| TV BLF^ |  |  |  | 149.20 | 143.35 | 148.09 |

\*On 28 March 2013, the Television Licence Fees Amendment Act 2013 introduced amendments to the TLF Act by permanently reducing the annual licence fee payable by a commercial television broadcasting licensee by 50 per cent, to a maximum of 4.5 per cent of their gross earnings. From the 2012–13 BLF return period onwards, the BLF rebate no longer exists.

^Relates to amounts paid for the 2013–14 return period only.

Under the *Datacasting Charge (Imposition) Act 1998*, a datacasting charge is collected from commercial television broadcasting licensees who also hold a transmitter licence issued under the *Radiocommunications Act 1992* and use the transmitter licence to provide a datacasting service(s) authorised by a licence under Schedule 6 of the BSA. During the current financial year, the ACMA collected $2.08 million from datacasting services for the 2013–14 return period.

Regional Equalisation Plan

The Australian Government introduced a Regional Equalisation Plan (REP) rebate scheme in 2000–01 to assist the rollout of digital television broadcasting services to regional and remote Australia. REP rebates against annual licence fees administered by the ACMA and, where necessary, supplementary grants administered by the Department of Communications (DoC), are claimable by broadcasters based on their area’s progress in rolling out digital television services. The scheme will end on 31 December 2017. Commercial television broadcasters claimed total REP rebates of $1.17 million in 2014–15.

Part 3—Report on performance

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

**Outcome 1 strategy**

The ACMA will contribute to the achievement of this outcome by:

* planning, allocating and using the public resources for which the ACMA is responsible in a way that maximises their value to the Australian community
* providing appropriate support to national safety and security interests in the planning and delivery of communications infrastructure and services
* ensuring consumer, citizen and audience safeguards are effective, designed to keep pace with evolving market developments, reflect community standards and deliver on consumer and community expectations
* developing strategies that ensure consumers, citizens and industry benefit from their engagement in the developing information economy and evolving networked society.

**Contributions to Outcome 1:**

* Program 1.1 Communications regulation, planning and licensing—see Chapter 3

Program 1.2: Consumer safeguards, education and information—see Chapter 4.

# Chapter 3: Communications regulation, planning and licensing

Chapter 3 reflects the ACMA’s performance against the deliverables in Program 1.1.

Program 1.1 Objective

That the allocation and use of public resources maximises their value to the Australian community; and that national safety and security interests are appropriately supported in the planning and delivery of communication infrastructure and services.

Program 1.1 Deliverables

* Effective allocation and use of the radiofrequency spectrum.
* Minimisation of unacceptable interference to radiocommunications services.
* Promotion of competition, efficiency and innovation in the Australian telecommunications industry.
* Administration of licensing and number allocation arrangements.
* Provision of appropriate and reasonable support to law enforcement, emergency services and national security.

Work in partnership with industry to improve the performance of Australia’s emergency call services.

Program 1.1 Key Performance Indicators

* That the public benefit from the allocation and use of the radiofrequency spectrum is maximised.
* That the instances of unacceptable interference are low; and interference complaints are resolved quickly and in a cost-effective manner.
* That competition, efficiency and innovation in the Australian telecommunications industry is maximised, resulting in a simple and flexible numbering scheme.
* That, in allocating or renewing broadcasting, telecommunications and radiocommunications licences and numbers, administrative costs on industry and citizens are minimised.

That law enforcement, emergency services and national security providers are appropriately and reasonably supported by the ACMA and telecommunications industry.

# *Icon of radio towerDeliverable*: Effective allocation and use of the radiofrequency spectrum

# *KPI*: The public benefit from the allocation and use of the radiofrequency spectrum is maximised

## Overview and significant outcomes

The ACMA manages the radiofrequency spectrum in Australia through planning, allocation and licensing decisions, device regulation and compliance activities. It ensures compliance with licensing requirements and investigates complaints of interference to licensed services. The scope of the ACMA’s role includes spectrum planning, apparatus licensing, class licensing, spectrum licensing, auctions and 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 that may be inappropriate to leave to market forces to address, and its availability for use by the broader community.

In 2014–15, the ACMA’s major spectrum initiatives included:

* undertaking processes for expiring spectrum licences, including considering reissue of licences to current licensees where that is in the public interest
* facilitating early access to the 700 MHz band following the digital dividend auction

commencing steps to reallocate spectrum in the 1800 MHz band in regional and remote parts of Australia.

## Spectrum review

On 23 May 2014, the minister announced a review of the spectrum policy and management framework. Established in 1992, the current regulatory framework under the Radiocommunications Act led the world in market reform of spectrum management. Now, more than 20 years later, the evolving nature of technology and increasing demand for access to spectrum has stretched the current framework to its full capacity. The review seeks to update Australia’s spectrum management framework to reflect changes in technology, markets and consumer preferences, and to better deal with increasing demand for spectrum from all sectors both now and into the future.

A key stated purpose of the review is to examine what policy and regulatory changes are needed to meet current challenges, and ensure the framework will serve Australia well into the future. In line with the government’s deregulation agenda, the review will look for ways to simplify the existing framework and reduce compliance costs for users.

In 2014–15, the ACMA continued to work closely with DoC on the details of the review.

In May 2015, the minister announced the release of a review report and made three major recommendations. The key elements of these recommendations include to:

* replace the current legislative framework with outcomes-focused legislation that facilitates timely spectrum allocations, improves user flexibility and delivers increased certainty for market participants
* improve the consistency of the framework by incorporating the management of broadcasting spectrum and better integrating public sector agency spectrum use

review spectrum pricing arrangements to make these more consistent and transparent, increasing the efficient use and trading of spectrum.

Implementing the recommendations is an opportunity to simplify and streamline regulatory structures and processes. Importantly, they are consistent with the government’s broader deregulation agenda and provide an opportunity to rationalise the number of licence categories and device supply regulations.

## Early access to the 700 MHz band

The 700 MHz spectrum licences issued at auction in May 2013 commenced on 1 January 2015. Optus and Telstra, as the two winning bidders for 700 MHz digital dividend spectrum, also expressed an interest in deploying commercial LTE services in this band prior to 1 January 2015, as the progressive clearance of remaining digital television services from these bands continued. The ACMA made the required regulatory arrangements to enable Optus and Telstra to apply for apparatus licences for commercial LTE services before 1 January 2015. Users of wireless audio devices, as well as some national and commercial television broadcasters, remained authorised to use the 700 MHz spectrum until 1 January 2015. The ACMA applied special licence conditions and application requirements for ‘early access’ apparatus licences to protect incumbent wireless audio devices and broadcast services from potential interference from LTE base stations.

During the early access period, 24 ‘early access’ apparatus licences were issued to Telstra and Optus. The licences authorised the commencement of 4G LTE wireless broadband services in 100 locations throughout Australia for Telstra and 140 locations for Optus to the end of 2014. The ACMA received approximately $1.3 million in licence fees from the issue of 700 MHz early access apparatus licences.

## Digital switchover

In 2013–14, the last remaining areas of Australia completed the switchover to digital-only television, which meant the end of analog television broadcasting in Australia. The ACMA had a number of responsibilities for the digital switchover and worked closely with the Digital Switchover Taskforce and related areas of DoC during
2013–14, providing technical and regulatory advice and information on television coverage.

The final step in the move to digital-only television was for a significant number of digital television services to be moved to new channels so that the spectrum in the 700 MHz band corresponding to UHF television channels 52 to 69 could be cleared for new mobile broadband services. This process of moving digital television transmitters to new channels was referred to as the ‘restack’, and viewers were required to retune their television receivers. The channels to be used for digital television services were defined in television licence area plans (TLAPs) prepared by the ACMA between 2011 and 2013.

Spectrum licences for the mobile broadband providers using the digital dividend spectrum commenced on 1 January 2015. To ensure that the spectrum was available for use by the spectrum licensees, the designated restack day (the day by which all digital dividend spectrum was to be cleared) for digital television was 31 December 2014. All digital television services planned in a TLAP were restacked by 20 November 2014. The final non-TLAP-planned digital service, a council retransmission site in Mossman South, North Queensland, was restacked on 9 December 2014.

### Restack coverage assessment project

The ACMA developed the restack coverage assessment project (ReCAP) to support the restack implementation process. The project delivers evidence-based advice to the government on managing potential restack coverage and reception issues affecting communities, and provides inputs to public education/information campaigns. In addition to its restack focus, ReCAP helped DoC to support viewers experiencing reception difficulties prior to or following the switchover from analog to digital television.

The ReCAP was successfully completed in December 2014.

With the retuning of television services across Australia finalised, DoC’s role in dealing with viewer reception issues has come to an end. The ACMA is now the first port of call in government for viewer reception and interference problems.

### Complaints under the conditional access scheme for satellite access to digital television

The government’s Viewer Access Satellite Television (VAST) service is intended to provide an alternative reception option for individual households unable to receive adequate digital television services from existing terrestrial transmission sites. Eligibility for access to commercial services on VAST is provided for in conditional access schemes developed by industry and registered by the ACMA. Viewers who were refused access to VAST services by the scheme administrator can, under certain conditions, complain to the ACMA. The ACMA has the power to direct the scheme administrator to enable VAST access for viewers who cannot access terrestrial digital television services.

The ACMA received 177 complaints between 1 July 2014 and 30 June 2015. In
2014–15, the ACMA finalised the investigation of 119 complaints and issued 119 directions to the scheme administrator to grant VAST access to the complainants. At the end of the reporting period, 58 complaints were still under investigation.

## Wireless microphones and the digital dividend

As part of implementing the digital dividend, wireless audio transmitters (wireless microphones) were required to cease operating in the frequency range 694–820 MHz by 1 January 2015.

As many community groups and businesses use wireless microphones on a day-to-day basis, the ACMA implemented a range of awareness and outreach activities and resources to help users prepare for this change.

For the majority of wireless audio users, operation is authorised under the Radiocommunications (Low Interference Potential Devices) Class Licence. However, to provide additional spectrum options, the ACMA sought comment in December 2014 on optional additional apparatus licence arrangements for users of wireless audio equipment. Following consideration of comments, finalised arrangements were put in place in February 2015 for the apparatus licensing of wireless microphones—expected to be mostly taken up for major events or by professional users.

## Broadcast planning

In 2014–15, the ACMA:

* issued 19 transmitter licences for new national radio and television services
* issued five transmitter licences for new commercial radio and television services
* issued 406 new broadcasting retransmission licences
* varied 718 radio and television apparatus licences

issued 131 special event broadcasting licences for radio and television services.

### Television licence area plans

TLAPs are the long-term 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. TLAPs were also the primary instruments for managing the restack of digital television broadcasting services.

During the reporting period, the ACMA completed four TLAP variations (see Table 9).

1. Variations to TLAPs

|  |  |
| --- | --- |
| Service area | Purpose of variation |
| Brisbane—December 2014 | To extend the channel allotment end date for the Brisbane community television service contained in the TLAP from 31 December 2014 to 31 December 2015, remove obsolete channel allotments and insert missing census definition data into the Brisbane TV1 licence area. |
| Melbourne—December 2014 | To extend the channel allotment end date for the Melbourne community television service contained in the TLAP from 31 December 2014 to 31 December 2015 and remove obsolete channel allotments. |
| Sydney—December 2014 | To extend the channel allotment end date for the Sydney community television service contained in the TLAP from 31 December 2014 to 31 December 2015 and remove obsolete channel allotments. |
| Regional Victoria—December 2014 | To amend the post-restack channel allotments for the Walwa/Jingellic area and Hunters Knob and insert the description of a previously omitted licence area into the TLAP. |

### Radio licence area plan variations

Radio licence area plans (LAPs) are the planning instrument for radio services in Australia.

Over the reporting period, the ACMA completed six variations to radio LAPs (see Table 10).

1. Variations to LAPs

|  |  |
| --- | --- |
| Service area | Purpose of variation |
| Remote Central and Eastern Australia (Radio)—June 2015 | To make channel capacity available for additional transmitters or amend existing technical specifications for the following commercial radio broadcasting services: * 8SAT at Apollo Bay, Beech Forrest, Meringur, Marysville, Powelltown, Speed, Bunnaloo, Urana, Hallett, Kapunda East, Keith, Kingscote, Leigh Creek, Penong and Wilmington
* 4BRL at Coolah, Karumba, Kilcoy, Tara and Thursday Island

4BRZ at Karumba, Kilcoy, Stanthorpe, Tara and Thursday Island.The variation also amends the Remote Commercial Radio North East Zone RA1 licence area to rectify a previous administration error with the census definition data. The amendment removes two census districts that were inadvertently included and reinserts a missing census district from the licence area.  |
| Goulburn (Radio)—January 2015 | To vary the technical specifications of the existing community radio broadcasting service 2GCR at Goulburn to increase the maximum effective radiated power to 2000 watts and antenna height to 20 metres, and reflect the service’s actual transmission site. The variation also expanded the Goulburn RA2 licence area for 2GCR and updated the description of the existing commercial and community radio licence areas in the Goulburn LAP to 2006 census data. |
| Hamilton (Radio)—December 2014 | To make channel capacity available for an additional transmitter for the Hamilton commercial radio broadcasting service 3HA at Portland and update the description of the existing commercial and community radio licence areas in the Hamilton LAP to 2006 census data. |
| Kempsey (Radio)—December 2014 | To make channel capacity available at North Haven for additional transmitters for the Kempsey commercial radio broadcasting service 2PQQ and the Port Macquarie community radio broadcasting service 2WAY. The variation also updated the description of the existing commercial and community radio licence areas in the Kempsey LAP to 2006 census data. |
| Riverland (Television & Radio)—December 2014 | To remove redundant technical specifications relating to national and commercial television broadcasting services and to change the title of the LAP to *Licence Area Plan—Riverland Radio*.  |
| Young (Radio)—August 2014 | To make channel capacity available for additional transmitters for the Young commercial radio broadcasting service 2LF at Cootamundra, Cowra, Grenfell and Temora, and also for additional transmitters for the Young commercial radio broadcasting service Roccy FM at Grenfell and Temora. The variation also made channel capacity available for a long-term community radio broadcasting service in Temora and updated the description of the existing commercial and community radio licence areas in the Young LAP to 2006 census data. |

### Digital radio

Digital radio services, using DAB+ technology in VHF Band III spectrum, have been running on a permanent basis in the metropolitan areas of Adelaide, Brisbane, Melbourne, Perth and Sydney since July 2009.

Following a public consultation process, in May 2015 the ACMA varied the digital radio channel plans for the five mainland capital cities to incorporate the technical parameters for in-fill transmitters used to boost coverage. These transmitters extended coverage of commercial and community digital radio services to a potential 264,000 listeners. Although digital radio services have not yet begun in Hobart, the ACMA also took the opportunity to update the Tasmania Digital Radio Channel Plan to provide for updated technical parameters and change the allotment of channels for digital radio in Hobart.

Trials of DAB+ are being conducted in Canberra and Darwin by the peak commercial radio body, Commercial Radio Australia (CRA).

## Land mobile frequency coordination requirements

In September 2014, the ACMA sought comment on a proposed update to coordination requirements for land mobile services operating in the VHF Mid band, VHF High band and 400 MHz frequency band. The proposed updates were to support the implementation of changes to the 400 MHz frequency in response to the 400 MHz review, and included proposed updates to existing frequency-distance constraints using revised technical assumptions that more closely reflect digital technologies.

Submissions closed in November and updated frequency-distance constraints were finalised and released in June 2015. Discussion with respondents continues on other matters raised in submissions, with a view to finalising remaining matters in the next reporting period.

## Ongoing review of spectrum planning and coordination frameworks

In addition to major spectrum projects, the ACMA is undertaking an ongoing review of spectrum planning, assignment and coordination frameworks. As part of this continuing process of improvement, the ACMA updated a number of coordination frameworks for apparatus licensing in 2014–15. This work will continue into 2015–16.

## Five-year spectrum outlook

The *Five-year spectrum outlook 2014–18* was released in September 2014. The outlook outlines the ACMA’s assessment of the demand for different parts of the radiofrequency spectrum and sets the key priority areas facing spectrum management in Australia. It provides an avenue for consultation with all spectrum users about emerging pressures for changing approaches to spectrum management and the ACMA’s work plan. It is a living document and is open to comment at all times.

The outlook fulfils the ACMA’s commitment to:

* provide greater insight and transparency for industry stakeholders
* facilitate discussion between the ACMA and stakeholders

provide a useful summary of important spectrum management policies and priorities.

In keeping with Program 1.1: Communications regulation, planning and licensing, the ACMA expects to release the 2015–19 edition of the outlook in the third quarter of 2015. It will take into account information from submissions received in response to the 2014–18 edition.

## Mobile phone jammer trial at Lithgow Correctional Centre

On 24 September 2013, Corrective Services NSW (CSNSW) launched a field trial of mobile phone jammers at Lithgow Correctional Centre in New South Wales to assess the feasibility of blocking the reception of mobile phones as a law enforcement strategy.

To enable the field trial, the ACMA made the Radiocommunications (Field Trial by Corrective Services NSW of PMTS Jamming Devices at Lithgow Correctional Centre) Exemption Determination 2012. In response to a request from CSNSW, on 13 June 2014 the ACMA approved an extension of the trial until 30 September 2014.

On 20 October 2014, the ACMA made the Radiocommunications (Field Trial by Corrective Services NSW of PMTS Jamming Devices at Lithgow Correctional Centre) Exemption Determination 2014. This instrument gives CSNSW a further exemption for continued use of the mobile phone jammer system at LCC for a 12-month period, expiring on 31 October 2015.

CSNSW reported to the ACMA on the outcomes of the field trial in early 2015. The ACMA is considering the information provided by CSNSW, and the implications this may have on the future regulation of mobile phone jammers in correctional facilities.

## 1800 MHz band

There is increasing demand for access to spectrum in regional and remote areas from various industry sectors to deploy mobile broadband services. The ACMA has identified the 1710–1785 MHz and 1805–1880 MHz frequency ranges (the 1800 MHz band) as the most suitable candidate band to relieve this demand.

The ACMA has been working closely with industry and stakeholders to develop appropriate and effective strategies to enable access to the 1800 MHz band in regional and remote areas. The ACMA has stated that, in regional areas, spectrum licensing in this band would best accommodate emerging high-value uses of the band such as mobile services.

The ACMA has now begun the reallocation process of the regional 1800 MHz spectrum from apparatus to spectrum licensing.

In the case of 1800 MHz spectrum in remote areas, the ACMA has been working with all interested parties on a possible method for assigning apparatus licences to meet demand, which—in contrast to the situation in regional areas—is not expected to exceed the supply of spectrum.

## Apparatus licences in the 3.5 GHz band

The Australian Communications and Media Authority (3.5 GHz frequency band) Direction 2014, made in October 2014, required the ACMA to take all steps necessary to enable apparatus licences of a type that would be appropriate for use in the nbn network to be issued in the frequency ranges 3400–3425 MHz and 3492.5–3542.5 MHz (the 3.5 GHz band). All necessary steps were completed by 30 April 2015. This included:

* fixing a tax of $0.0037/MHz/population for apparatus licences in the 3.5 GHz band

making RALI MS39, *Frequency Coordination and Licensing Procedures for Apparatus Licensed Public Telecommunications Services in the 3.5 GHz band*. RALI MS39 contains details on coordination criteria between devices operated under a 3.4 GHz band spectrum licence, 3.5 GHz apparatus licences and other relevant services operating in adjacent bands.

On 12 June 2015, the ACMA formally advised the minister that it had completed all steps necessary to fulfil the requirements of the direction.

## International spectrum activities

The ACMA’s international spectrum activities included active involvement in the preparatory work for the 2015 International Telecommunication Union (ITU) World Radiocommunication Conference (WRC-15), to be held in Geneva from 2–27 November 2015. In total, 95 Australian delegates participated in 46 international radiocommunications meetings, with 54 Australian contributions presented. This ranged from single delegates to ITU Radiocommunication Sector Study Groups to a delegation of 20 to the second session of the Conference Preparatory Meeting for WRC-15 (CPM15-2). The Australian delegation to CPM15-2 was instrumental in supporting established Australian views on WRC-15 agenda items at this penultimate ITU-R meeting to WRC-15.

One key meeting in which the ACMA participated was the fourth APT Preparatory Group for WRC-15 (APG15-4), held in Bangkok from 9–14 February 2015. As part of APG15-4, the ACMA, with assistance from DoC, held an information session on the future of Coordinated Universal Time (UTC). The session addressed issues to be considered at WRC-15 under agenda item 1.14, which defines UTC on the basis of the time kept by atomic clocks and recommends using leap seconds to maintain it close to Universal Time. The future of UTC will be a major issue at WRC-15 and the ACMA information session, which involved expert speakers from China, South Korea, Japan, Australia and the ITU, was a highlight of APG15-4.

See also *International agenda and engagement* in Chapter 5.

### Satellite coordination

The ACMA is responsible for fulfilling Australia’s obligations as a member of the ITU for matters associated with the ITU-R. It supports the filing of Australian satellite networks with the ITU and actively works with prospective satellite operators in meeting these obligations. The ACMA also provides the interface with other ITU administrations in coordinating Australia’s satellite spectrum requirements.

In the reporting period, the ACMA assessed 1,411 publications for proposed foreign satellite networks, initiating coordination processes (where necessary) with foreign administrations on their proposed satellite networks with Australian spectrum requirements and responding to their reciprocal requests of Australia. In addition, the ACMA also assisted Australian satellite operators with ongoing satellite coordination negotiations with other administrations. These roles help to protect Australian interests and maximise the benefits of spectrum/orbital resources through working cooperatively with other ITU Member Administrations.

The ACMA also provides ongoing advice to Australian Government agencies and the Australian space community on space radiocommunications.

# *Icon of radio towerDeliverable*: Minimisation of unacceptable interference to radiocommunications services

# *KPI*: The instances of unacceptable interference are low; and interference complaints are resolved quickly and in a cost-effective manner

## Overview and significant outcomes

Spectrum planning arrangements are designed to ensure, to the extent possible, that licensed radiocommunications services are not subject to unacceptable levels of interference. The ACMA’s regulatory regime uses technical standards and regulations to reduce the likelihood of interference while placing as little regulatory burden on industry as possible. Evidence-based, risk mitigation and management strategies are used to identify and prioritise this compliance and enforcement activity.

In 2014–15, the ACMA’s major initiatives in this area included:

* undertaking radiocommunications interference prosecutions
* performing spectrum monitoring for special events

establishing the annual priority compliance areas.

## Technical standards and regulations

The ACMA manages compliance with the Radiocommunications Act and subordinate instruments relating to the operation of radiocommunications transmitters and the supply of radiocommunications devices. It also administers mandatory regulatory arrangements that require specified equipment to meet technical standards and associated record-keeping and labelling requirements.

### Radiocommunications

In 2014–15, the ACMA remade the Radiocommunications (Compliance Labelling – Devices) Notice 2014 and associated technical standards to comply with the sunsetting provisions of the *Legislative Instruments Act 2003* (LIA).

### Electromagnetic compatibility

The ACMA manages electromagnetic compatibility (EMC) through the Radiocommunications Labelling (Electromagnetic Compatibility) Notice 2008. The ACMA’s technical standards for EMC reference technical standards developed by Standards Australia, and international standards developed by the International Electrotechnical Committee (IEC), International Special Committee on Radio Interference (CISPR) and European Telecommunications Standardisation Institute (ETSI). The standards list was updated during the reporting period to reference the current suite of international standards.

### Electromagnetic energy

The ACMA’s electromagnetic energy (EME) regulatory arrangements require radio transmitter installations and portable end-user equipment, such as mobile phone handsets, to comply with EME limits set out in the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) Radiation Protection Standard for Maximum Exposure Levels to Radiofrequency Fields – 3 kHz to 300 GHz (2002). The ARPANSA Standard is based on guidelines from the internationally recognised International Commission for Non-Ionizing Radiation Protection (ICNIRP).

On 30 June 2014, the ACMA made the Radiocommunications (Compliance Labelling - Electromagnetic Radiation) Notice 2014 (the EME Labelling Notice) and the Radiocommunications (Electromagnetic Radiation - Human Exposure) Standard 2014 (the Human Exposure Standard), which were due to sunset in 2015. The new arrangements, which included minor variations, were implemented in 2014–15.

In the reporting period, the ACMA also signed a memorandum of understanding (MoU) with ARPANSA, under which the two agencies agreed to work together to develop clear public messaging about their EME responsibilities. The formal commitment between the two agencies is an extension of existing collaboration and information-sharing, and will help ensure that EME regulatory arrangements are developed from a sound evidence base.

## Field-based activities and investigations

### Radiocommunications interference management

The ACMA assesses complaints of interference and non‑compliance. It can then prioritise the risk of interference and choose from a range of available regulatory responses.

Ongoing priorities for compliance activity include responding to complaints of interference to mobile carriers, including from:

* Mobile repeaters—interference can be caused by the unlicensed use of mobile phone repeaters that may substantially disrupt mobile networks. Mobile phone carriers work with the ACMA to locate the cause of the interference.

Prohibited devices—the ACMA has arrangements with Australia Post to detect and seize prohibited devices travelling in the international mail stream. It has also established relationships with private international mail carriers and received in‑principle agreement that they surrender any detected prohibited devices.

2014–15 priority compliance areas

The ACMA also manages and prioritises the enforcement of technical standards through priority compliance areas (PCAs), which in 2014–15 comprised:

* technical regulation of lighting (particularly LED globes) and wireless microphones
* EME compliance in the following areas:
* suppliers of Wi-Fi devices
* operators of wireless broadband and smart meter base stations

radiocommunications transmitter licensing compliance in the 400 MHz band.

Table 11 shows the ACMA’s compliance and enforcement work in these areas for the last three years.

1. Radiocommunications cases, 2012–13 to 2014–15

|  |  |
| --- | --- |
| Action type | Number of actions |
| 2012–13 | 2013–14 | 2014–15 |
| **Investigations** | 418 | 291 | 256 |
| Advice notices issued | 19 | 6 | 4 |
| Warning notices issued | 157 | 120 | 219 |
| Infringement notices issued | 1 | 11 | 17 |
| Prosecutions commenced | 0 | 5 | 3 |
| **Responses to interference** | 968 | 1,120 | 1,333 |
| Warning notices issued | 171 | 220 | 462 |
| Advice notices issued | 206 | 138 | 132 |
| **Mobile repeaters detected** | 83 | 123 | 138 |

### Radiocommunications interference prosecutions

In 2014–15, of the three prosecutions begun into deliberate interference to radiocommunications, two cases concluded with convictions being recorded. The third is yet to be finalised. These involved:

* prolonged interference to Victoria Police frequencies
* deliberate interference to a Victorian taxi service

repeated complaints of harassing and offensive transmissions on the Citizen Band Radio Service in Adelaide.

### Spectrum monitoring network

The ACMA manages and maintains a network of fixed, transportable and mobile monitoring sites across Australia. This spectrum monitoring network has primarily been used 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 has also been used on an ad hoc basis to monitor TV reception quality over time in communities with reported TV reception difficulties.

The spectrum monitoring network supported the resolution of the radiocommunications cases listed in Table 11. It was also used to:

* perform 88 signal monitoring-specific tasks
* support 34 HF monitoring and High Frequency Direction Finding (HFDF) tasks.

In response to TV reception problems in 2014–15, the spectrum monitoring network was used:

* to assess TV coverage reliability in Gulgong, Narromine and Yass in New South Wales
* to assess the impact of unreliable signal input feed and ducting interference, and provide input to proposed planning solutions for improving reliability of TV coverage in Apollo Bay, Victoria
* for long-term data collection and analysis to provide input to TV signal propagation studies in Lucas Heights, New South Wales.

Special events

As part of their risk management processes, organisers of the following special events contracted the ACMA to provide radiocommunications frequency coordination and interference resolution services:

* Australian Motorcycle Grand Prix, Phillip Island, 17–19 October 2014
* G20 Leaders Summit Brisbane, 12–16 November 2014

Australian Formula One Grand Prix, Melbourne, 12–15 March 2015.

The ACMA was also contracted to provide assistance during the major matches of the following special sporting events in Australia:

* AFC Asian Cup, 9–31 January 2015

ICC Cricket World Cup, 14 February – 29 March 2015.

Each of these events attracted enormous international media interest, with an estimated global viewing audience of over a billion people.

### 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 the radiocommunications standards compliance and labelling arrangements.

The laboratory also assisted with investigations being carried out by the ACMA, and federal and state police services. This included preparing seven evidentiary certificates and 12 technical assessment reports of radiocommunications devices.

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

### Compliance forbearance

The ACMA’s compliance and enforcement activities do not always result in actions being taken against those who are in breach of regulations. During the reporting period, a supplier of air band (aviation) radio transmitters self-reported that it had unintentionally been supplying non-compliant radios.

The ACMA conducted market research, considered submissions from industry and the Civil Aviation Safety Authority, and carefully analysed the nature of the technical non‑compliance and its risk level. Ultimately, the ACMA determined that continued lack of access to several models of such radios would force industry to use non‑compliant equipment sourced from overseas suppliers or curtail a range of airport operations.

The ACMA has for many years sought to avoid imposing unnecessary or counterproductive regulation. The government’s emphasis on reducing red tape has strengthened the ACMA’s resolve to ever more precisely target regulation so that only the minimum required intervention is imposed on industry. The end result was that the ACMA issued the supplier with permits to supply certain models of non-compliant radios and recommended to Standards Australia that the relevant technical standard be changed.

## Telecommunications infrastructure regulation

### Carriers’ rights and obligations

Schedule 3 to the Telecommunications Actgives carriers the power to enter land in order to determine whether it is suitable for their purposes, install certain facilities on the land and maintain a facility that is situated on the land. The Telecommunications Code of Practice 1997sets out the conditions with which carriers must comply in order to exercise their powers of entry and carry out authorised activities under Schedule 3.

The Telecommunications (Low-impact Facilities) Determination 1997 specifies the types of facilities (known as ‘low-impact’ facilities) that carriers are entitled to install without seeking state, territory or local government planning approval. Examples of low-impact facilities include small radiocommunications antennas and dishes that are erected on existing towers or buildings, underground cables and certain above-ground optical fibre facilities.

The ACMA may investigate suspected breaches of the Telecommunications Act, the Telecommunications Code of Practice and industry codes registered by the ACMA. However, complaints from land owners and occupiers about compliance with Schedule 3 and the Code of Practice are dealt with by the TIO.

In 2014–15, the ACMA received 11 enquiries from local councils, carriers, solicitors, landowners and members of the public about matters covered by Schedule 3 to the Telecommunications Act and the Code of Practice, not related to radiocommunications facilities.

### Mobile phone base station deployment

The planning and installation of mobile phone network infrastructure is subject to industry code C564:2011 *Mobile Phone Base Station Deployment*. The industry code is registered by the ACMA under Part 6 of the Telecommunications Act and came into effect on 1 July 2012.

Under the industry code, carriers must take a consultative and precautionary approach to the deployment of mobile phone network infrastructure. Carriers must consult with local councils and the community on the placement of certain mobile phone facilities, typically low-impact facilities. Anyone not satisfied that a carrier has complied with the code may complain to the ACMA. In accordance with Part 26 of the Telecommunications Act, the ACMA may, on receipt of a complaint:

* decide to investigate the matter
* make preliminary enquiries of the respondent to decide whether to investigate the matter

decide not to investigate the matter.

The ACMA has the power to issue formal warnings and directions to carriers to comply with the code. It does not have the power to make a carrier relocate its facility.

In 2014–15, the ACMA received 31 enquiries about the industry code. Carriers conducted 5,867 consultations under the industry code during this period. The ACMA received an additional 10 enquiries about the deployment of fixed internet wireless facilities.

# *Icon of mobile phoneDeliverable*: Promotion of competition, efficiency and innovation in the Australian telecommunications industry

# *KPI*: Competition, efficiency and innovation in the Australian telecommunications industry is maximised, resulting in a simple and flexible numbering scheme

## Overview and significant outcomes

The ACMA is required to make a plan for the numbering of carriage services in Australia and the use of numbers in connection with the supply of such services. The ACMA also manages the numbering resource and plans for new numbering developments in Australia.

In 2014–15, the ACMA’s major initiatives in this area included:

* awarding ZOAK Solutions Pty Ltd (ZOAK) the contract to provide allocation and administrative services for most of Australia’s telephone numbers from August 2015
* making of the Telecommunications Numbering Plan 2015.

## Numbering reform activities

Between 2010 and 2012, the ACMA, as part of its Numbering Work Program, examined a wide range of issues related to the regulatory framework for telephone numbers, in light of deep changes in industry structures, service offers and consumer behaviour. The aim was to identify what, if any, changes were needed to enable flexible, efficient and effective numbering arrangements for the future communications environment.

One outcome of the Numbering Work Program was that the ACMA examined alternatives for the sustainable provision of numbering services in the long term. The ACMA concluded that it would be timely to test the market for the provision of a system to administer and allocate an expanded range of numbering services, compared to the allocation of freephone, local rate and premium rate numbers delegated to INMS at that time.

On 12 September 2014, following a competitive tender process, the Commonwealth awarded ZOAK the contract to provide allocation and administrative services for most of Australia’s telephone numbers from August 2015.[[1]](#footnote-1) ZOAK will provide services under delegation from the ACMA, in accordance with a contract with the Commonwealth.

In March 2015, the ACMA made the Telecommunications Numbering Plan 2015, which provides for the automation of numbering transactions from August 2015. It also enables over-the-counter allocation of smartnumbers, replacing the market-based auction allocation method that has been in operation since 2004.

In April 2015, the ACMA consulted on draft instruments that set charges for numbering transactions to apply from August 2015, receiving three submissions. The ACMA anticipates making the numbering charges instruments in July 2015.

In partnership with Communications Alliance, the ACMA expects to progress further work to streamline numbering arrangements during 2015–16, including changes to evolve the Numbering Plan to a more principles-based document supported by industry codes and guidelines.

## New arrangements for mobile calls to 1800 and 13/1300 numbers

On 1 July 2014, the ACMA announced a new framework for call charges from mobile phones to 1800 (freephone) and 13/1300 (local rate) numbers. Developed in close consultation with the telecommunications industry and without direct regulatory intervention, the new arrangements take account of market changes in recent years and are intended to deliver a range of consumer benefits.

Mobile operators will continue to offer ‘13-friendly’ mobile plans in accordance with a guideline developed by Communications Alliance. Under these plans, calls to 13 and 1300 numbers will be charged against the included-value allowance of the plan, rather than billed separately.

From 1 July 2015, the overwhelming majority of mobile operators, including Optus, Telstra and Vodafone, will provide their customers free-of-charge mobile calls to 1800 numbers. A small number of mobile providers have yet to implement this capability for their customers. The ACMA will continue to work with Communications Alliance and the Australian Communications Consumer Action Network (ACCAN) to encourage these providers to implement these arrangements in a timely manner.

These initiatives will work in conjunction with other protections—notably call and data usage alerts from mobile providers—now required under the Telecommunications Consumer Protections (TCP) Code.

The ACMA and industry will monitor how these issues work in practice so that consumers’ experience is improved in both the short and long term.

## Numbering Advisory Committee

The Numbering Advisory Committee (NAC) is a formally constituted advisory committee to the ACMA and comprises representatives of the telecommunications industry, telecommunications users, community groups and government. The NAC provides advice and recommendations on issues related to the ACMA’s numbering functions, with the objective of improving the benefits to suppliers and users of carriage services, and facilitating competition.

The NAC met on two occasions during 2014–15. It provided advice on the making of the Numbering Plan, the proposal to remake numbering charges and a range of other numbering matters. The Numbering Services Implementation Steering Committee was formed under the auspices of the NAC to guide the development of, and transition to, the new numbering system.

# *Icon of cogsDeliverable*: Administration of licensing and number allocation arrangements

# *KPI*: In allocating or renewing broadcasting, telecommunications and radiocommunications licences and numbers, administrative costs on industry and citizens are minimised

## Overview and significant outcomes

The ACMA has 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; and number allocations.

In 2014–15, the ACMA’s major achievements in this area included:

* completion of expiring spectrum licence processes in the 800 MHz and 1800 MHz bands, and in part of the 2.3 GHz band

400 MHz band implementation.

For information on numbering reform activities, see the deliverable *Promotion of competition, efficiency and innovation in the Australian telecommunications industry*.

## Radiocommunications licensing

### Apparatus licensing

Apparatus licences can be issued for any period ranging from one day to a maximum of five years. The majority of licences are for one year with annual renewals thereafter.

The ACMA issues apparatus licences that require frequency assignment coordination (assigned licences), as well as apparatus licences where no frequency assignment coordination is required (non-assigned licences).

The ACMA’s key performance indicator (KPI) for issuing licence applications requiring frequency assignment is to have completed 60 per cent of applications within 30 days of receipt. For licence applications not requiring frequency assignment, the ACMA’s KPI is to complete 100 per cent of applications within 14 days of receipt.

The ACMA is undertaking a major project—Project HELM—to replace its ageing spectrum management information systems. Development and testing of the apparatus licensing component of the system was an important deliverable for Project HELM in 2014–15.

The need for expert staff to support Project HELM during 2014–15 reduced the ACMA’s ability to meet its KPI targets, with:

* 27.1 per cent of assigned licence applications completed within 30 days

71.5 per cent of non-assigned applications completed within 14 days.

The ACMA worked with stakeholders, including accredited persons, to minimise the impact of delays in processing apparatus licence applications.

New and renewed licences

In 2014–15, 15,613 new apparatus licences were issued. This increased the number of current licences to 161,737 at 30 June 2015 (see Table 42 in Appendix 4). During the reporting period, 147,524 licences were renewed. Over the same period, the annual number of new and renewed apparatus licences issued averaged 159,881.

Price-based apparatus licence allocations—LPON licences

Following the ACMA’s review into the operation of low-power open narrowcasting (LPON) services, which began in 2013 and concluded in early 2014, the ACMA suspended its usual practice of offering to allocate LPON licences and holding auctions for competing applications on a three-monthly basis. Instead, it began a program of allocating LPONs in areas where Band II television services had ceased operation. The ACMA held auctions and allocated licences in south-west Western Australia in July 2014, and central and eastern New South Wales from September to November 2014. Licences were allocated in Townsville and Renmark/Loxton during April and May 2015, without the need to hold auctions. As a result of this process, the ACMA allocated an additional 138 LPON licences, raising revenue of $196,550.

400 MHz band implementation

The 400 MHz band implementation process has provided lengthy lead times for each milestone to allow licensees in industry and government to identify their requirements, budget and plan on how best to meet them, and implement network upgrades or replacements. Almost all licensees needing to meet the first milestone requirements (mainly involving bandwidth reduction) had made the necessary changes to their networks in 2013.

In 2014–15, the ACMA continued to facilitate transition in the 400 MHz band through a suite of planning, policy and pricing initiatives, including:

* Undertaking stakeholder engagement activities to raise awareness of upcoming changes, including holding industry tune-ups, meetings and discussions with individual licensees to help them understand their transition requirements and options.
* Making regular updates to web material and promoting an online tool for licensees to determine their particular transition requirements.
* Consulting on applying annual taxation increases in the high-density areas of the band to progressively move the apparatus licence tax to opportunity cost.
* Offering exceptions to licensees having difficulty meeting transition time frames.
* Monitoring transmissions in the 400 MHz band in Sydney and Melbourne to check that only licensed transmitters were operating.

Implementation of the second milestone began in Adelaide, Brisbane, Melbourne, Perth and Sydney in January 2015. This milestone facilitates government spectrum harmonisation and use of new and emerging technologies in 450–470 MHz. The move to harmonised government spectrum gives government agencies the opportunity to enhance interoperability within and between state, territory and federal emergency services. The ACMA continues to work with industry and government to facilitate and support preparation for the changes that will occur from 2015 to 2018.

In August 2012, the ACMA implemented the first increment in the licence tax rate for high-density areas of the 400 MHz band, based on opportunity-cost principles. Further proposed increases have been signalled. While monitoring suggests that congestion has not yet been removed, some intended effects are occurring—for example, reduced licence numbers and rotation from low- to high-value uses. As there is no congestion in remote areas of Australia and little risk of congestion emerging in the foreseeable future, opportunity cost is low. This means it may be appropriate to reduce the licence tax rate. The ACMA is reviewing the submissions it received about these proposals in August 2014 and anticipates that it will make announcements in 2015–16.

The ACMA understands that transitioning to the new arrangements remains challenging for many users, and continues to work closely with licensees and accredited persons to support transition arrangements. The final outcomes of the review will harmonise government spectrum, as well as increase technology flexibility and efficiency of allocation and use. Once transition is achieved, the need for further regulatory intervention in the band is expected to be low.

### Spectrum licensing

Expiring spectrum licences

Fifteen-year spectrum licences were first issued in the late 1990s and early 2000s, and some have now expired or are approaching expiry. Some of these spectrum-licensed bands are used to deliver high-value telephony and broadband services.

In 2012, the minister made a ‘class of services’ determination for some of these spectrum-licensed bands that it would be in the public interest to reissue licences to incumbent licensees, if they have used the licence to provide the following services:

* mobile voice and data communications services in the 800 MHz, 1800 MHz and 2 GHz bands
* wireless broadband services in the 2.3 GHz and 3.4 GHz bands
* satellite services in the 27 GHz band.

At the same time, the minister also directed the ACMA as to the value of spectrum in each of the bands mentioned above. The direction requires the ACMA to reflect this valuation in the spectrum access charges it fixes under section 294 of the Radiocommunications Act.

Where licences are not reissued, the ACMA will prepare reallocation processes. The ACMA’s policy is to give both incumbent and prospective licensees certainty, where possible, on the outcome of expiring spectrum licences in each band approximately 18 months before licence expiry.

The ACMA has completed the reissue process for spectrum licences in the 800 MHz and 1800 MHz bands, and 2.3 GHz band. This has resulted in approximately $45.5 million in revenue from the expiring spectrum licence process during 2014–15.

Table 12 provides a summary of the spectrum-licensed frequency bands and bandwidths, the status (whether reissue has occurred or the impending expiry date) for licences in each band and the type of service for which the applicable technical framework is optimised.

1. Expiry of spectrum licences

|  |  |  |  |
| --- | --- | --- | --- |
| Band | Frequencies | Expiry | Main use |
| 800 MHz | 825–845 MHz 870–890 MHz (paired) | Reissued | Public mobile telephony (3G, LTE) |
| 1800 MHz | 1710–1755 MHz1805–1850 MHz (paired) | Reissued\* | Public mobile telephony (LTE, GSM, GSM-R)^ |
| 28 and 31 GHz | 27.5–28.35 GHz (unpaired)31.0–31.3 GHz (unpaired) | Reverted to apparatus licensing | Satellite services |
| 1800 MHz | 1755–1785 MHz1850–1880 MHz (paired) | Reissued | Public mobile telephony (LTE, GSM, GSM-R) |
| 2.3 GHz | 2302–2400 MHz (unpaired) | Reissued\* | Wireless access services (LTE) |
| 3.4 GHz | 3425–3442.5 MHz3475–3492.5 MHz (paired)3442.5–3475 MHz3542.5–3575 MHz (paired) | Expires December 2015\*\* | Wireless access services (LTE) |
| 27 GHz | 26.5–27.5 GHz (unpaired) | Expires January 2016 | Satellite services |
| 2 GHz | 1900–1920 MHz (unpaired)1920–1980 MHz2110–2170 MHz (paired) | Expires October 2017 | Public mobile telephony (3G, LTE) |
| 20 and 30 GHz | 20.2–21.2 GHz30–31 GHz (paired) | Expires April 2021 | Satellite services |

\*Some licensees chose not to seek reissue.

\*\*Some licensees chose not to accept the offer of reissue, while some are still to complete the reissue process.

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

Spectrum licence trades

Spectrum licences can be traded in part or in whole to others by geographic area and bandwidth, and can be divided or amalgamated. The ACMA did not trade any spectrum licences during 2014–15.

### Class licensing

Low interference potential devices

Low interference potential devices include a wide range of low-power radio transmitters used by the public every day, such as garage door openers, wireless local area networking equipment (such as Wi-Fi and Bluetooth devices) and wireless identification tags. Operation of these common devices without individual coordination is accomplished through class licensing. The ACMA’s class licensing arrangements provide a no-cost-to-the-user authorisation to operate such equipment, without the need to issue individual licences.

The Radiocommunications (Low Interference Potential Devices) Class Licence 2000 (the LIPD Class Licence) is regularly varied to maintain currency and keep pace with technological developments. The ACMA publicly consulted on a proposed remaking of the LIPD Class Licence on 17 December 2014, including updated arrangements for wireless microphones, and the use of short-range low-power devices using ultra-wide band (UWB) technology. Submissions closed on 6 March 2015. The ACMA expects to complete the update process and make a new LIPD Class Licence by the end of the third quarter of 2015.

### Accredited persons scheme

The accredited persons (APs) scheme provides a market-based solution for frequency coordination and device registration. Under the scheme, the ACMA accredits appropriately qualified persons to issue frequency assignment certificates for apparatus licences and interference impact certificates for spectrum licences. Since the scheme’s introduction, radiocommunications licensees have seen the benefit of using the services of appropriately qualified APs. APs now undertake the majority of frequency assignment activity for the Australian radiocommunications sector.

In 2014–15, the total number of APs increased from 41 to 47 (see Table 13) with the accreditation of six new persons. With the percentage of assignment activity performed by APs continuing to grow—increasing by five per cent in 2014–15 (see Table 14)—the AP scheme is considered to be operating effectively.

1. Number of APs, 30 June 2011 to 30 June 2015

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 30 June 2011 | 30 June 2012 | 30 June 2013 | 30 June 2014 | 30 June 2015 |
| 57 | 53 | 39 | 41 | 47 |

APs 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. In 2014–15, APs registered 163,424 devices operated under spectrum licences.

1. Assignments registered, 2010–11 to 2014–15

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2010–11 | 2011–12 | 2012–13 | 2013–14 | 2014–15 |
| Frequency assignments registered by APs | 16,27872% | 20,54477% | 19,04080% | 20,23083% | 23,73388% |
| Frequency assignments performed by the ACMA | 6,27228% | 5,97823% | 4,62720% | 4,19817% | 3,27512% |

### Marine radio certificates of proficiency and operator examinations

The Australian Maritime College (AMC) in Launceston has provided marine radio operator certification and examination services on behalf of the ACMA since 2002. Under this arrangement, the AMC is also responsible for promoting the certification services and keeping examination methods relevant and accessible to marine radio users.

Table 15 details activity levels for the AMC’s last two last financial years (January–December).

1. Marine radio operator certification and examination services—activity levels, 2013 and 2014

|  |  |  |
| --- | --- | --- |
|  | 2013 | 2014 |
| **Total applications received** |
| Marine Radio Operators Certificates of Proficiency (MROVP) | 4,074 | 3,815 |
| Marine Radio Operators VHF Certificate of Proficiency (MROVCP) | 1,537 | 2,044 |
| Marine Satellite Communications Certificates | 40 | 33 |
| **Total handbook sales** |
| Marine Radio Operators Handbooks | 2,878 | 3,616 |
| Marine Radio Operators VHF Handbooks | 2,122 | 2,524 |

Source: Office of Maritime Communications Annual Performance Report 1 January to 31 December 2014.

### Review of marine radio operator qualifications for recreational boaters

In October 2012, the ACMA published the outcomes of its review of regulatory arrangements for VHF marine radio operator qualifications for recreational boaters. Outcomes were that the ACMA would:

* Coordinate the development and implementation of the Australian Waters Qualification (AWQ), which will become the new mandatory qualification for recreational boaters using VHF marine radio channels within Australian territorial waters.

Align its remaining marine radio certificate of proficiency framework with the Maritime Training Package administered by the Transport and Logistics Industry Skills Council (TLISC) in the longer term.

The ACMA has facilitated the development of the proposed AWQ syllabus with extensive input from interested marine safety and training stakeholders. The TLISC included the AWQ in the Maritime Training Package on 27 February 2015. The AWQ is also expected to be included in the Radiocommunications (Maritime Ship Station – 27 MHz and VHF) Class Licence in July 2015.

### Amateur radio operator examination services

The Wireless Institute of Australia (WIA) has provided examination services to the amateur radio community on behalf of the Australian Government since 1991. The WIA also issues amateur certificates of proficiency, administers amateur call signs and makes recommendations to the ACMA about their allocation.

The ACMA is responsible for the licensing of amateur transmitters. During 2014, the WIA conducted 884 amateur examinations. Table 16 details the number of amateur certificates of proficiency issued based on the results of these examinations. Some amateurs may have needed to successfully undertake more than one examination to qualify for the relevant certificate of proficiency.

The WIA also made 1,065 recommendations on call sign allocation. The ACMA allocated 884 call signs based on these recommendations and approved 189 call sign changes.

1. Amateur certificates of proficiency issued, 2013–14 and 2014–15

|  |  |
| --- | --- |
| Certificate level | Certificates issued |
| 2013–14 | 2014–15 |
| Foundation | 366 | 395 |
| Standard | 115 | 108 |
| Advanced | 116 | 89 |
| **Total** | **597** | **592** |

Source: Wireless Institute of Australia Annual Performance Report, June 2015.

## Broadcasting licensing

In 2014–15, the ACMA:

* issued 19 transmitter licences for national radio and television services
* issued five transmitter licences for commercial radio and television services
* issued 406 broadcasting retransmission licences
* varied 718 radio and television apparatus licences
* issued 131 special event broadcasting licences for radio and television services.

### Temporary community broadcasting licences

Temporary community broadcasting licences are allocated for a maximum 12-month licence period. During the reporting period, the ACMA allocated 91 temporary licences. As at 30 June 2015, there were 94 temporary licences.

### Community radio broadcasting licences

During the reporting period, the ACMA:

* decided not to allocate the community radio broadcasting licences for Coffs Harbour (New South Wales) and Geraldton (Western Australia)

renewed 61 community radio broadcasting licences, of which none were remote Indigenous broadcasting services.

There were 358 community radio broadcasting licences at 30 June 2015, of which 72 were remote Indigenous broadcasting services.

### Commercial radio broadcasting licences

During 2014–15, the ACMA renewed 42 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 2015, there were 273 commercial radio broadcasting licences.

### Commercial television broadcasting licences

As at 30 June 2015, there were 64 commercial television broadcasting licences.

During 2014–15, the ACMA renewed eight commercial television broadcasting licences.

### Community television broadcasting licences

There were 54 community television broadcasting licences at 30 June 2015, of which 51 were remote Indigenous broadcasting services. The other three services were in Brisbane, Melbourne and Sydney.

Community television trial

During 2014–15, the ACMA decided to extend community television trials in Adelaide and Perth for a further 12-month period from 1 January 2015 to 31 December 2015.

## Telecommunications licensing

### Carrier licensing

The ACMA granted 27 carrier licences in 2014–15, all within the statutory 20-day time frame. This is an increase from 2013–14, when 22 licences were issued. As at 30 June 2015, there were 229 licensed carriers in Australia.

A licensed carrier can surrender its licence by providing a written notice to the ACMA. In 2014–15, four carrier licences were surrendered. In addition, two carrier licences were cancelled as the corporation holding the licences was deregistered by the Australian Securities and Investments Commission.

The ACMA has issued 135 nominated carrier declarations from 1 July 1997. In
2014–15, the ACMA issued six nominated carrier declarations and revoked one. As at 30 June 2015, there were 79 nominated carrier declarations in force.

A complete list of carrier licences and nominated carrier declarations granted in
2014–15 is provided at Appendix 4.

The ACMA issued three trial certificates during 2014–15, compared with one in the previous reporting period.

### Number allocations register

The ACMA maintains a register of numbers allocated to CSPs and numbers that have been permanently transferred from one CSP to another. The information is contained in a database known as the Online Numbering System (NUMB). CSPs use the register to perform functions such as routing and billing, and to apply, transfer and surrender numbers. The ACMA uses NUMB to administer the annual numbering charge (ANC). From August 2015, the register of numbers will be provided by ZOAK Solutions as part of its contract to provide allocation and administrative services to the Commonwealth.

### Numbering transactions

During 2014–15, the ACMA assessed 64 separate applications for numbers from 13 different CSPs. The most common number types allocated remain geographic and digital mobile numbers.

The ACMA met its statutory requirements and KPIs by processing numbering applications within the 10-day statutory time frame. The time taken to process routine applications was approximately five working days, compared with the average of 7.4 working days for 2013–14. In 2014–15, the ACMA allocated:

* 1,572,100 geographic numbers—119,100 more than the 1,453,000 geographic numbers allocated in 2013–14
* 1,200,000 digital mobile numbers—1,420,000 fewer than the 2,620,000 digital mobile numbers allocated in 2013–14.

Table 17 shows the amount of numbers allocated by number type in the reporting period.

1. Quantity of numbers allocated by number type during 2014–15

|  |  |  |
| --- | --- | --- |
| Type of number | CSP allocated numbers | Quantity of numbers allocated |
| Geographic | 11 | 1,572,100 |
| Digital mobile | 3 | 1,200,000 |
| Mobile network codes | 1 | 1 |
| Pre-selection over-ride code | 2 | 2 |
| **Total numbers allocated** |  | **2,772,103** |

During 2014–15, the ACMA received six applications to surrender numbers from six CSPs. There were 53 permanent transfers of numbers between CSPs in 2014–15. Table 18 shows the numbers surrendered by number type and Table 19 shows the numbers transferred by number type. Some CSPs transfer or surrender multiple number types.

1. Quantity of numbers surrendered by number type during 2014–15

|  |  |  |
| --- | --- | --- |
| Type of number | CSPs surrendering numbers | Quantity of numbers surrendered |
| Data network service | 2 | 301,000,000 |
| Data network access | 1 | 9,000 |
| Digital mobile service | 1 | 200,000 |
| LICS | 2 | 2,000 |
| **Total numbers surrendered** |  | **301,211,000** |

1. Quantity of numbers transferred by number type during 2014–15

|  |  |  |
| --- | --- | --- |
| Type of number | CSPs transferring numbers | Quantity of numbers transferred |
| Geographic | 7 | 103,100 |
| Mobile | 2 | 3,100,000 |
| **Total numbers transferred** |  | **3,203,100** |

INMS is contracted to the ACMA to provide delegated services to industry for freephone (1800), local rate (13) and six- and eight-digit premium rate numbers. Services undertaken by INMS include number allocations, withdrawals, reservations and placements in quarantine. Table 20 shows the quantity of numbers allocated by INMS and Table 21 shows the quantity surrendered in 2014–15, by number type.

1. Quantity of numbers allocated by INMS by number type and digit length during 2014–15

|  |  |
| --- | --- |
| Type of number | Quantity of numbers allocated |
| Freephone and local rate (1800, 1300, 13) | 28,256 |
| Premium rate numbers (six- and eight-digit 19 numbers) | 79 |
| **Total numbers allocated** | **28,335** |

1. Quantity of numbers surrendered by INMS by number type and digit length during 2014–15

|  |  |
| --- | --- |
| Type of number | Quantity of numbers surrendered |
| Freephone and local rate (1800, 1300, 13) | 27,617 |
| Premium rate numbers (six- and eight-digit 19 numbers) | 258 |
| **Total numbers surrendered** | **27,875** |

### Portability

Number portability allows a customer to retain his or her existing telephone number when changing CSP. Number portability is available for local, mobile, and freephone and local rate numbers.

The ACMA monitors the effectiveness of porting arrangements, including CSP compliance with the arrangements specified in the Numbering Plan and industry codes that set out the procedures for number portability.

In 2014–15, the ACMA continued to work with Communications Alliance and industry to identify regulatory issues that may emerge with portability involving services on the nbn network.

The ACMA also receives and handles enquiries and complaints about number portability from industry and consumers, with 148 contacts in 2014–15.

Where appropriate, the ACMA may also grant an exemption from the number portability requirements. No exemptions from number portability were sought or granted in 2014–15.

### Pre-selection

CSPs are required to make pre-selection available on request for many standard telephone services. Pre-selection includes national long-distance calls, international calls and mobile calls, but not local calls.

Under the Telecommunications Act, the ACMA is able to exempt a carrier/CSP from the obligation to provide pre-selection. No exemptions were sought or granted during 2014–15 and no carriers/CSPs have existing exemptions in place.

In March 2015, the ACMA made the Telecommunications (Provision of Pre-selection) Determination 2015 as the existing instruments for pre-selection were due to sunset on 1 April 2015. The new instrument substantively incorporates the content of the previous instruments.

In 2014–15, the Telecommunications Act was amended by Parliament to limit pre-selection to existing networks and not extend it to most new networks (for example, the nbn network).

### Submarine cable protection zones

Submarine cables carry the bulk of Australia’s voice and data traffic and contribute significantly to the Australian economy. Due to their size and location on the seabed, these cables are vulnerable to damage from activities such as the anchoring of ships, some types of fishing, dumping of materials, dredging and mineral exploration.

Schedule 3A of 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. The legislation establishes offences for damaging a cable or breaching prohibitions and restrictions, and provides penalties for these offences. Australia has three submarine cable protection zones—two off the Sydney coast and one off the Perth coast.

No requests for additional submarine cable protection zones were considered during
2014–15.

### 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.

Depending on the location of a proposed cable, a carrier may apply for a protection zone permit to authorise installation of the cable:

* in a protection zone

in both a protection zone and in Australian waters that are not in a protection zone and that are not coastal waters.

Carriers may also request a non-protection zone permit to authorise the installation of an international submarine cable in Australian waters that are not in a protection zone and are not coastal waters.

In 2014–15, there was continued interest among cable consortiums in establishing new international cables off the western coast of Australia, motivated in part by increasing global demands for superfast broadband services and the need to provide a reliable alternative to the existing SEA-ME-WE3 cable. There was also some niche interest in providing additional capacity for oil and gas companies operating along the north-western coast of Australia.

The ACMA granted one PZ permit during 2014–15 to install an international submarine cable to Jakarta and Singapore via the Perth Protection Zone. It also granted three NPZ permits, which authorise the installation of international submarine cables landing off Perth, Onslow and Port Hedland in Western Australia.

The ACMA approved four separate requests to extend the duration of existing PZ and NPZ permits for an international cable to be installed between Perth (via the Perth Protection Zone) and Singapore. Long lead times for securing international regulatory approvals and project financing can result in significant delays for cable installation schedules.

# *icon of peopleDeliverables*:

# Provision of appropriate and reasonable support to law enforcement, emergency services and national security

# Work in partnership with industry to improve the performance of Australia’s emergency call services

# *KPI*: Law enforcement, emergency services and national security providers are appropriately and reasonably supported by the ACMA and telecommunications industry

## Overview and significant outcomes

Agencies involved in law enforcement, national security and emergency services have special operational requirements delivered by the telecommunications industry. The ACMA administers the applicable obligations under the Telecommunications Act and liaises with representatives of agencies and the telecommunications industry.

During the reporting period:

* the ACMA introduced further changes to enable customer identity verification by mobile providers at the time of activation of prepaid services

mobile carriers introduced a new capability that allows emergency service organisations to obtain better location information during Triple Zero calls

* the ACMA continued to facilitate transition in the 400 MHz band, which is enhancing interoperability with and between state, territory and federal emergency services. This is covered under *400 MHz band implementation* in the deliverable *Administration of licensing and number allocation arrangements*.

## Law enforcement and national security

### Supporting law enforcement and national security agencies

The telecommunications industry, including internet service providers (ISPs), is obliged to provide reasonably necessary assistance to law enforcement and national security agencies under section 313 of the Telecommunications Act*.* This assistance most commonly involves providing information about consumers of telecommunications services and their communications for the purposes of:

* enforcing the criminal law
* enforcing laws that impose a pecuniary penalty
* assisting the enforcement of the criminal laws in force in a foreign country
* protecting the public revenue

safeguarding national security.

During the reporting period, the Attorney-General’s Department (AGD) did not refer any carriers or CSPs to the ACMA for enforcement action for refusing to provide an agency with such assistance.

### Identity-checking requirements for prepaid mobile phone services

The ACMA is responsible for making and administering a determination that requires CSPs to obtain and verify identity information about the purchasers or service activators of prepaid mobile services.

On 15 December 2014, the ACMA amended the Telecommunications (Service Provider – Identity Checks for Prepaid Mobile Carriage Services) Determination 2013 under section 99 of the Telecommunications Act. These changes allow mobile providers to verify a person’s identity using two new methods:

* confirming a customer’s existing prepaid mobile account

sighting identification at the mobile provider’s shopfront at the time the service is activated.

The new types of identity verification add to the six methods introduced in [October 2013](http://www.acma.gov.au/Industry/Telco/Carriers-and-service-providers/Prepaid-mobiles/new-rules-streamline-identity-checking) that enable identity verification by the mobile provider itself at the time the service is activated, instead of identity-checking by third parties at the point of sale.

The ACMA consulted on the amendments with a range of interested parties including the AGD, law enforcement agencies, the Office of the Australian Information Commissioner and consumer advocacy groups.

### Interception exemption for trial services

Section 193 of the *Telecommunications (Interception and Access) Act 1979* gives carriers the opportunity to trial new services before committing expenditure on interception capability. The ACMA can grant an exemption from the obligation to provide interception capability if, after consulting with appropriate interception agencies, it is satisfied that this is unlikely to create a risk to national security or law enforcement.

There were two exemptions granted during 2014–15 relating to a single program of trial services.

### Disclosure of customer information to law enforcement and national security agencies

Customer information provided by telecommunications carriers and CSPs to law enforcement and national security agencies is protected under Part 13 of the Telecommunications Act. Carriers and CSPs are prohibited from disclosing that information to other parties except in limited circumstances. Those circumstances generally relate to:

* assisting in investigations by law enforcement or national security agencies, or the ACMA, ACCC, TIO or TUSMA
* assisting where there is an imminent threat to a person’s life or health

satisfying the business needs of other carriers and CSPs.

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 during the reporting year. See Appendix 11 for the number and type of disclosures made during 2014–15, as reported to the ACMA under section 308 of the Telecommunications Act.

Disclosure data for telephone-based emergency warning systems

Part 13 of the Telecommunications Act allows information contained in the Integrated Public Number Database (IPND) to be disclosed for the testing and operation of telephone-based emergency warning systems by state and territory governments.

Appendix 11 provides the number of telephone numbers that have been disclosed for this purpose in the reporting period, a description of the emergency or likely emergency, and the location and number of persons to whom the information was disclosed under subsections 295V(1) or 295V(2) of the Telecommunications Act.

## Integrated Public Number Database

The IPND is an industry-wide database of all listed and unlisted public telephone numbers. It was established in 1998 and is currently managed by Telstra under the Carrier Licence Conditions (Telstra Corporation Limited) Declaration 1997. Law enforcement agencies and emergency services regularly access customer data from the IPND and it is critical that the data is accurate for these purposes.

The ACMA continued to contribute to the IPND review conducted by DoC. The IPND review report was released on 7 May 2015.

### CSP compliance with IPND requirements

The ACMA’s compliance program seeks to improve compliance by CSPs with their IPND-related regulatory obligations, and thereby improves the quality and completeness of data contained in the IPND.

In 2014–15, a key compliance activity was to monitor, on a monthly basis, the percentage of customer records with one or more errors, as identified by the IPND Manager that each data provider has in the IPND. This monitoring resulted in the ACMA raising compliance issues with 16 CSPs. All 16 CSPs contacted by the ACMA have taken steps to improve the quality of the customer data they provide to the IPND Manager.

### Southern Phone Company enforceable undertaking and direction to comply with TCP Code

In May 2015, the ACMA directed Southern Phone Company (SPC) to comply with clause 4.6.3 of the TCP Code (C628:2012), following an investigation that found SPC failed to protect the privacy of its customers’ personal details after it incorrectly classified 3,869 silent numbers in the IPND. The error resulted in those silent numbers, and the associated name and address details, being published in authorised public number directories, but not in the White Pages produced by Telstra.

The ACMA also found SPC had breached the Telecommunications Act and the IPND Industry Code(C555:2008) by failing to provide accurate information to the IPND. The ACMA subsequently accepted an enforceable undertaking from SPC to address the non-compliance with the IPND requirements under the Telecommunications Act.

The enforceable undertaking commits SPC to:

* upgrade its data collection processes
* engage an independent auditor to review its IPND processes
* instigate a comprehensive education and training program

regularly report to the ACMA for two years.

SPC cooperated fully with the ACMA during the investigation and acknowledged that the ACMA had reasonable grounds to make the findings.

### IPND scheme

The IPND scheme allows for the assessment of applications for authorisation for public number directory publishers and people conducting research of a kind specified by the minister as being in the public interest. Part 13 of the Telecommunications Act provides for the ACMA to administer the IPND scheme.

During the reporting period, the ACMA varied authorisations granted to Fleurieu Link and Local Directories to further support the publication of public number directories. At 30 June 2015, six entities held authorisations to access IPND data for the purpose of publishing public number directories, while no research authorisations were in place.

## 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

Australian Communication Exchange, for the emergency service number 106, used by people who are deaf or have a hearing or speech impairment.

The ACMA has been contributing to a review of the Emergency Call Person (ECP) for 000 and 112 (also referred to as the national Triple Zero operator) begun by DoC in July 2014.

### Emergency Call Service Advisory Committee

The ACMA convenes 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 emergency service organisations to provide advice to the ACMA and discuss priority issues affecting the operation of the service. ECSAC met once in 2014–15 and provided advice on a range of matters. Details of ECSAC members are provided at Appendix 2.

### Reducing the volume of non-emergency calls

An ongoing objective for emergency call service delivery has been to reduce the volume of calls to Telstra as the ECP for 000 and 112 that are not related to an emergency. Of the 8.4 million calls made to the ECP during 2014–15, 5.88 million were connected through to an ESO.

Calls that are categorised as ‘non-emergency’ include instances of accidental calls (a particular issue with mobile phones), nuisance calls, calls for assistance that are not time-critical and calls to services that are not accessible through the emergency call service, such as state emergency services.

Since Telstra’s introduction of a short recorded voice announcement for the Triple Zero service on 19 December 2008, the number of calls to Triple Zero reaching the ECP has reduced by about 30 per cent, without genuine calls being affected.

The ACMA is continuing to monitor the results of an escalated warning process, which is managed by Telstra as the ECP and the three mobile network owners. These processes can lead to a mobile handset being blocked from making most calls if it is used to make repeated non-emergency calls to Triple Zero. Experience is showing that the risk of account suspension and police referral is acting as a significant deterrent. On average, 99 per cent of callers making repeated non-emergency calls are deterred from further misuse after receiving a warning from the ECP.

### Improved mobile location for emergency service organisations

In October 2014, the mobile carriers introduced a new capability that allows ESOs to obtain access to cell tower—or better location—information during the actual Triple Zero call. While in most cases callers can provide their location, in some cases they are unaware of their location or unable to pass on information because they are stressed, disoriented or unfamiliar with the area. Improved mobile caller location helps emergency services to locate callers and provide emergency assistance as quickly as possible.

The ACMA has been keen to facilitate this public safety initiative, and recognises the investment of significant resources and expertise by the mobile carriers and the ECP for 000. The next step in improving mobile location information is the extraction and automatic transfer of GPS information from the mobile customer’s handset for access by ESOs.

### Awareness-raising activities

During the reporting period, the Triple Zero Awareness Work Group, an ECSAC working group, was active in developing initiatives aimed at improving awareness of Australia’s emergency call service, particularly among children. In the first of what is expected to be numerous agreements, the Triple Zero Kids’ Challenge has been licensed to the Queensland Department of Education for use in the primary school curriculum and a teachers’ guide developed. The Triple Zero Kids’ Challenge aims to educate children aged between five and 10 about the emergency call service. Over one milliongames have been played since its launch in May 2010.

On 17 December 2014, the ACMA released an infographic promoting the importance of customers keeping their address details up to date with their CSP. The infographic, which featured the Emergency+ app and Emergency Alert system, was viewed by more than 190,000 people on Facebook during December 2014. A second infographic tackled some of the common myths about calling Triple Zero from a mobile phone. This infographic, released on 4 June 2015, reached over half a million people during its first week on Twitter and was viewed by more than 300,000 Facebook users.

### Emergency+ app

The Triple Zero Awareness Group oversaw the introduction of two new language translations for the Emergency+ app in December 2014. When activated, the Emergency+ app gives users their GPS reference, which they can provide orally to an emergency call-taker to pinpoint their physical location. The app also contains contact numbers and a short explanation of when to call non-emergency numbers such as the Police Assistance Line and the national State Emergency Service (SES) number. There have been almost 280,000 downloads of the Emergency+ app since its launch.

### Complaints and investigations about the Triple Zero service

During the reporting period, the ACMA received a small number of complaints and enquiries about the Triple Zero service. Most of these related to the handling of calls by an ESO (and not to Telstra as the ECP for 000 and 112), and were referred to the relevant organisation for a response. No formal investigations were undertaken.

# Chapter 4: Consumer safeguards, education and information

Chapter 4 reflects the ACMA’s performance against the deliverables in Program 1.2.

Program 1.2 Objective

Consumer, citizen and audience safeguards are effective, designed to keep pace with evolving market developments, reflect community standards and deliver on consumer and community experience.

The benefit to consumers, citizens and industry from engagement in the developing information economy and the evolving networked society is maximised.

Linked to:

Elements of the administered items in Program 1.2 are also delivered by the Telecommunications Universal Service Management Agency (TUSMA), which is responsible for delivering public interest telecommunications services including the:

* Universal Service Obligation (USO), which ensures that standard telephone services and payphones are to be reasonably accessible to all people in Australia on an equitable basis, wherever they reside or carry on business.

National Relay Service (NRS), which assists people who are deaf, or have a hearing and/or speech impairment, to access a telephone service equivalent to the standard telephone service available to all Australians.

Program 1.2 Deliverables

* Facilitate transition to the national broadband environment.
* Maintain effective telecommunications safeguards.
* Minimise unsolicited spam and telemarketing communications.
* Maintain effective broadcasting and community standards.
* Maintain effective online content and community standards.
* Promote engagement in the information economy and evolving networked society.

Develop and maintain appropriate regulatory settings for an information economy and network society.

Program 1.2 Key Performance Indicators

* That businesses and consumers confidently transition to a national broadband environment.
* That consumer interests are protected and promoted when telecommunications services are purchased and used.
* That the adverse impacts of spam and unsolicited telemarketing on the economy and society are minimised.
* That community’s confidence in the efficacy of broadcasting regulation is maintained.
* That citizens have effective and accessible avenues of complaint for online content that breaches community standards.
* That citizens engage positively, confidently and securely in the developing information economy and evolving networked society.

That industry and business have sufficient confidence in regulatory settings to continue development of innovative communications and media services.

# *Icon of worldDeliverable*: Facilitate transition to the national broadband environment

# *KPI*: Businesses and consumers confidently transition to a national broadband environment

## Overview and significant outcomes

The ACMA administers the telecommunications regulatory arrangements for the supply and connection of telecommunications customer equipment and customer cabling. The objective of the arrangements is to manage both consumer risks (related to health and safety and access to the emergency call service) and industry risks (related to network integrity and interoperability with standard telephone services).

During the reporting period, the ACMA:

* Commenced a review of the Telecommunications Labelling (Customer Equipment and Customer Cabling) Notice 2001 (the 2001 Notice).
* Remade the Telecommunications (Labelling Notice for Customer Equipment and Customer Cabling) Instrument 2015 (and associated technical standards) so it is simpler and better reflects the contemporary operating and technical environment.

## Telecommunications standards

Under section 376 of the Telecommunications Act, the ACMA may make a technical standard that applies to specified customer equipment or customer cabling. An ACMA standard only has practical effect if it is referenced in the Telecommunications Labelling Notice.

The ACMA’s mandatory standards for customer equipment are underpinned by technical standards developed by Communications Alliance and Standards Australia. Each ACMA standard incorporates by reference one or more industry standard(s) that contain the technical parameters for the performance of specified customer equipment or customer cabling.

In 2014–15, as part of the review of the 2001 Notice, the ACMA remade 11 technical standards, giving regulatory effect to 19 industry standards. The revised ACMA standards include provisions that automatically adopt amendments or replacements of industry standards. A number of superseded standards were also revoked and references to those standards removed.

## Cabling regulation

The ACMA is responsible for regulating telecommunications cabling in Australia. Under the Telecommunications Act, the ACMA has regulatory powers to make safety and network integrity standards for cabling installation practices.

The ACMA’s approach to regulating customer cabling includes:

* overseeing the industry-managed cabling registration scheme
* monitoring and enforcing compliance with cabling regulatory requirements
* supporting greater cabling industry self-regulation

promoting consumer and industry awareness of customer cabling regulatory arrangements.

### Cabling registration scheme

The Cabling Provider Rules (CPRs) are based on an industry-managed national registration system. The ACMA currently accredits five industry bodies to be registrars under the CPRs. These registrars issue registrations to cabling providers.

At 30 June 2015, there were 71,288 registered cabling providers. The ACMA continues to monitor the performance of registrars in meeting their contractual obligation to provide registration services to the cabling industry. It also works with registrars to improve reporting arrangements and monitor service delivery levels across the industry through quarterly meetings of the ACMA’s Registrars’ Coordinating Committee (RCC). The ACMA also meets quarterly with the Cabling Advisory Group (CAG) on technical issues and related cabling policy. The CAG includes a wide range of representatives from the cabling industry.

### Telecommunications Cabling Provider Rules 2014

In December 2014, the ACMA made the Telecommunications Cabling Provider Rules 2014 (the 2014 Rules) to replace the Telecommunications Cabling Provider Rules 2000 (the 2000 Rules), which were due to sunset in October 2015.

In making the 2014 Rules, the ACMA also simplified customer cabling regulation by combining the requirements of two other cabling instruments to form a consolidated instrument. These instruments were:

* Accreditation Procedures for Cabling Provider Registrars (Accreditation Procedures)

Telecommunications Cabling Provider Rules 2000 – Arrangements for Operation of the Registration System (No. 3) (2012) (Arrangements Instrument).

The 2014 Rules do not contain any substantive changes to the regulatory requirements established by the 2000 Rules, Accreditation Procedures and Arrangements Instrument.

### Telecommunications Cabling Determination 2015

In March 2015, the ACMA made the Telecommunications (Section of the Telecommunications Industry – Cabling Service Operators) Determination 2015 (the 2015 Determination) to replace the Telecommunications (Section of Telecommunications Industry) Determination 2003 (No. 1) (the 2003 Determination), which was due to sunset in April 2015.

The 2015 Determination specifies cabling service operators (persons that arrange for the performance of cabling work to be carried out by suitably qualified cabling providers) to be a section of the telecommunications industry. The 2015 Determination provides the legal basis to register industry codes applicable to cabling service operators, so that cabling providers working on their behalf perform work in accordance with the Telecommunications Cabling Provider Rules 2014.

The 2015 Determination does not contain any substantive changes to the requirements established by the 2003 Determination.

## Informed consent arrangements for the nbn network battery back‑up services

On 12 August 2014, the ACMA made the Telecommunications (Backup Power and Informed Decisions) Service Provider Determination 2014. The Backup Power Determination helps protect the interests of residential customers that are obtaining a fibre-to-the-premise nbn network voice service. The Backup Power Determination requires CSPs to provide sufficient information about how an end user’s voice service will operate in a power failure. The ACMA has worked with carriage service providers to ensure compliance with the Determination.

Additionally, with the adoption of the multi-technology mix for the nbn network, the ACMA is now working with DoC, NBN Co Limited and industry to ensure the development and implementation of appropriate strategies to address consumer risks. These risks are associated with the supply of voice services over all technologies being deployed by nbn, including fibre-to-the-node, fibre-to-the-basement and hybrid fibre coaxial (HFC).

# *icon of mobile phoneDeliverable*: Maintain effective telecommunications safeguards

# *KPI*: Consumer interests are protected and promoted when telecommunications services are purchased and used

## Overview and significant outcomes

The ACMA undertakes activities to ensure industry is complying with key telecommunications consumer protection requirements, including the:

* Telecommunications Consumer Protections (TCP) Code 2012
* Mobile Premium Services (MPS) Code 2011
* International Mobile Roaming (IMR) Standard 2013
* Telecommunications Industry Ombudsman (TIO) scheme
* universal service obligation (USO)
* payphone performance
* Customer Service Guarantee (CSG)
* Network Reliability Framework

priority assistance.

Ordinarily, the ACMA does not handle or investigate individual residential or small-business customer complaints unless they generate concerns about systemic compliance. The TIO is the complaints-handling body for telecommunications consumer protection matters. TIO complaint statistics for 2014–15 will be released in its annual report.

During the reporting period, the ACMA[[2]](#footnote-2):

* commenced 125 enquiries and conducted 20 investigations into providers’ compliance with the TCP Code
* issued 42 formal warnings and 16 directions in response to non-compliance with the TCP Code

directed four firms to join the TIO scheme and one to comply with the TIO scheme.

## The TCP Code

The ACMA proactively encourages and monitors compliance through:

* **Education**—the ACMA visits and liaises with providers to discuss the requirements of the TCP Code and any concerns they may have, particularly when requirements or the provider are new.
* **Environmental scanning**—the ACMA assesses a provider’s actions and raises any concerns with them.
* **Enquiries**—the ACMA contacts providers to ask questions about compliance.

**Investigations—**the ACMA investigates possible non-compliance under Part 26 of the Telecommunications Act.

During 2014–15, the ACMA’s TCP Code compliance activities covered a broad range of topics, including critical information summaries, spend management alerts, code compliance statements, complaints-handling, customer transfer, direct debit and related credit management practices. Details of key activities and investigation results are set out below.

### The ACMA’s enforcement powers

The ACMA has a range of powers to address breaches of the TCP Code. Where the ACMA finds a breach of the code, it can:

* agree with the telecommunications provider on steps it will take to remedy the breach or improve compliance
* issue a formal warning

give a direction to comply with the code or code provision under section 121 of the Telecommunications Act.

If a section 121 direction is breached, the ACMA may commence Federal Court proceedings. In addition, under Part 31B of the Telecommunications Act, the ACMA may issue an infringement notice for an alleged contravention of certain civil penalty provisions relating to telecommunications. An infringement notice may be given as an alternative to the ACMA instituting proceedings in a Federal Court.

### Enquiries and investigations about compliance with the TCP Code

During the reporting period, the ACMA continued to focus on improving industry compliance with the TCP Code, with a primary emphasis on investigation and enforcement as the code has become well established.

During the reporting period, the ACMA commenced 125 enquiries into the compliance of suppliers with the TCP Code. Over the same period, it conducted 20 investigations (at times involving multiple TCP issues). Some of these investigations commenced before 1 July 2014. Details of the type and outcome of investigations about compliance with the TCP Code made during 2014–15 are provided at Appendix 7.

### Compliance attestations review

Under Chapter 9 of the TCP Code, suppliers must give Communications Compliance (CommCom) attestations that confirm their compliance with the requirements of the code. CommCom is a self-regulatory industry body that aims to improve industry members’ compliance with the TCP Code.

During the reporting period, the ACMA issued 11 directions and 39 formal warnings to providers who failed to lodge compliance attestations.

In May 2015, CommCom informed the ACMA that 388 providers had lodged compliance attestations for 2015—a 17 per cent increase on 2014. Drawing on this information and TIO membership records, the ACMA sent preliminary enquiry letters to 41 providers in June 2015 to ascertain why they did not lodge attestations with CommCom. The ACMA will consider enforcement action if it concludes that the providers did not comply with the TCP Code.

### Critical information summaries review

The ACMA undertook its annual review of critical information summaries (CISs) in March 2015, assessing a total of 68 offers from 35 providers. Comparative results are summarised in Table 22.

1. CIS review comparisons, 2014 and 2015

| Activity | 2014 | 2015 |
| --- | --- | --- |
| Number of providers assessed | 46 | 35 |
| Number of offers assessed | 92 | 68 |
| CIS immediately compliant | 90% | 69%  |
| CIS with some content or formatting issues | 8% | 27%  |
| No CIS | 2% | 4% |

The deterioration in compliance mainly reflects a failure among some mid-sized firms to keep information in CISs up to date. The majority of the non-compliant CISs required only minor changes to become compliant. After the ACMA wrote to each provider with non-compliant CISs, all but one provider amended their CIS and updated their website immediately. Finalisation of one matter is ongoing.

### Customer transfer **investigations** and review

The ACMA initiated five investigations into compliance with the customer transfer provisions in the TCP Code during the reporting period.

One supplier was found to be in breach of multiple TCP Code provisions on telecommunications offers and changing suppliers, and was issued with a direction to comply in September 2014. A subsequent investigation into the transfer of customers to a related provider found a number of breaches of transfer consent, providing information and record-keeping of the transfer process. The ACMA issued a direction to comply to the related provider in April 2015.

A review of transfer provisions within Chapter 7 of the TCP Code in 2013–14 year led to an investigation that found a company to be in breach of a number of the transfer provisions within the code. A direction to comply with the TCP Code was subsequently issued in January 2015.

In April 2015, the ACMA began a multi-provider review to examine whether providers are giving accurate and adequate information about transfers between apparently related entities and obtaining informed consent from consumers. The ACMA then initiated preliminary enquiries into three suppliers—one provider was found to be compliant, one enquiry led to an investigation and another matter is still open.

## Mobile premium services

Mobile premium services (MPS) are subject to an industry code. The MPS Code was reviewed during 2014–15[[3]](#footnote-3), with amendments including:

* new protections to prevent customers being charged a premium fee of more than 25 cents to opt out of marketing messages
* new obligations that require CSPs and aggregators to provide specific information on the availability of MPS barring when a customer makes an MPS-related inquiry or complaint

the removal of industry reporting requirements.

The number of MPS-related complaints made to the TIO had remained steady since the last update to the MPS Code in 2014—until the March 2015 quarter, when complaints spiked sharply. The ACMA has begun five preliminary enquiries into providers to identify the reason/s for the increase. Further monitoring of MPS will continue into the next reporting period.

## International mobile roaming standard

The International Mobile Roaming (IMR) Standard requires providers to give consumers information about the cost of roaming when overseas and enable them to opt out of roaming services, in order to help minimise the risk and incidence of bill shock. It also requires CSPs to offer their customers spend management tools to help them manage expenditure while travelling.

The ACMA conducted an assessment of the three mobile carriers (Telstra, Optus and Vodafone) in January 2015 and found a high level of compliance by all three providers with the requirements to provide usage alerts as mandated in the IMR Standard. Since the introduction of the IMR Standard there has been a significant drop in complaints to the TIO.

## Telecommunications Industry Ombudsman scheme

Carriers and eligible CSPs have an obligation under the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (TCPSS Act) to join the TIO scheme. The scheme provides an alternative dispute resolution service for small-business and residential customers with unresolved complaints about their telephone or internet services.

The TIO may investigate, make determinations and give directions on complaints about carriage services by end users of those services. The TIO has the authority to make binding determinations up to the value of $30,000 and recommendations up to the value of $85,000.

### TIO scheme membership

From 1 July 2014 to 30 June 2015, the TIO referred 21 companies that had not joined the TIO scheme to the ACMA, resulting in the ACMA initiating seven investigations. Additionally, five referrals from the TIO sent in 2013–14 resulted in the ACMA initiating another four investigations this year. At 30 June 2015, 17 of the above referrals (resulting in either preliminary enquiries or investigations) led to providers joining the TIO scheme. Further detail is provided at Appendix 7.

Investigations into TIO scheme membership led to four different providers being issued directions to comply with section 128 of the TCPSS Act. Two providers subsequently joined the TIO scheme, complying with the terms of the ACMA directions.

### TIO scheme investigation

In June 2014, the TIO referred a provider, Planet ISP Pty Ltd, to the ACMA for failing to comply with the TIO scheme under section 132 of the TCPSS Act.

The TIO made a binding determination requiring that the provider refund a customer the sum of $5,115.26 for international call charges arising from unauthorised calls and for failing to act on a customer’s request to suspend the service.

Following its investigation, the ACMA issued a remedial direction in December 2014 and indicated its intention to start legal proceedings if the TIO determination was not complied with. In April 2015, the provider refunded the amount in the TIO determination to the customer to meet the terms of the remedial direction.

### 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.

In 2014–15, the ACMA granted four exemptions from the obligation to join the TIO scheme. A register of providers granted exemptions is available on the ACMA website.

## Copyright Notice Scheme Code

Online copyright infringement presents significant challenges for content rights-holders and ISPs. In response to a request from the minister and the Attorney-General, Communications Alliance developed a draft Copyright Notice Scheme (CNS) Code. The CNS Code proposes an education and warning scheme, whereby:

* Rights-holders will provide ISPs with the IP addresses of alleged infringers.
* ISPs will match those IP addresses to an account-holder and then issue up to three letters to that account-holder advising of legitimate content avenues and the implications of continued infringing activity.

After three letters, a ‘facilitated preliminary discovery’ process can be initiated, through which ISPs can assist rights-holders who may decide to take legal action against persistent infringers.

On 8 April 2015, Communications Alliance submitted the CNS Code to the ACMA but noted that several issues needed to be resolved before the code could be considered for registration under Part 6 of the Telecommunications Act. As at 30 June 2015, these issues remain unresolved, preventing the ACMA from considering it for registration.

## Universal service obligation

Part 2 of the TCPSS Act establishes a universal service regime administered by the ACMA, which includes the universal service obligation (USO).

The ACMA monitors several aspects of compliance with the USO regime through the Customer Service Guarantee and Payphone Performance Benchmarks, and reports on these matters in its annual communications report (see also *Payphone performance* and *Customer Service Guarantee* below). TUSMA also manages contracts with Telstra for the provision of standard telephone services and payphones under the USO. From 1 July 2015, TUSMA’s functions are to be performed by DoC.

Telstra continues to be the only universal service provider and is responsible for all areas in Australia.

## Payphone performance

In October 2014, the ACMA completed its assessment of Telstra’s compliance against the Telecommunications Universal Service Obligation (Payphone Performance Benchmarks) Instrument (No. 1) 2011 for the period 1 July 2013 to 30 June 2014. The ACMA determined that Telstra met the required benchmarks.

In 2014–15, the ACMA received one complaint on the relocation of a payphone. The ACMA finalised the matter within the reporting period and found that Telstra had complied with its Standard Marketing Plan and other agreed processes.

## Customer Service Guarantee

In October 2014, the ACMA completed its assessment of the compliance of qualifying CSPs against the Telecommunications (Customer Service Guarantee – Retail Performance Benchmarks) Instrument (No. 1) 2011 and the Telecommunications (Customer Service Guarantee) Record-Keeping Rules 2011. The benchmarks and record-keeping rules applied to Telstra, Optus, iiNet, Primus and Dodo for the 2013–14 period. All these providers met all relevant benchmarks in that reporting period.

The ACMA also receives notification of exemptions declared by CSPs for mass service disruptions and monitors this information to determine that the requirements for claiming exemptions have been met. The number of mass service disruption notices (not including extensions) received by the ACMA from carriers/CSPs increased from 234 in 2013–14 to 339 in 2014–15 (see Table 23). The impact of each exemption varies in the number of services affected and the duration.

1. Mass service disruption notices, by carrier/CSP

|  |  |
| --- | --- |
| Carrier | No. of notices |
| Telstra | 80 |
| iiNet | 80 |
| Optus | 79 |
| M2 Group\* | 78 |
| Foxtel | 22 |
| **Total** | **339** |

\*M2 Group exemption notifications include Primus, Eftel and Dodo exemptions due to recent acquisitions by the M2 Group.

## Network Reliability Framework

Under the NRF, Telstra must provide the ACMA with 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 of the NRF shows the percentage of CSG services without a fault or service difficulty, the percentage of time CSG services are available and the average time (hours) to restore fault-affected CSG services.

Each month, the ACMA is required to approve the initial selection of Level 2 cable runs in line with a prescribed formula and to receive reports on the remediations. Where a remediation time frame has not been met, and the reasons for this match specific requirements, the ACMA can grant an extension of the remediation time frame. The ACMA approved all Level 2 cable run lists provided in 2014–15 and granted 12 extensions of time for remediation of cable runs in the reporting period.

The Level 3 requirement is for Telstra to 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 is required to approve a proposed remediation plan for the services. In
2014–15, Telstra reported 2,480 Level 3 contraventions, for which the ACMA approved all submitted remediation plans.

Service performance under the NRF is reported in the ACMA’s annual communications report.

## 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 currently the only carrier required under its carrier licence conditions to provide priority assistance services. However, other service providers may offer priority assistance in accordance with industry code ACIF C609:2007 *Priority Assistance for Life Threatening Medical Conditions*.

The ACMA received one complaint about priority assistance in 2014–15, which was resolved through communication with the complainant and Telstra.

## Local presence plan

Under its licence conditions, Telstra is required to maintain a local presence in regional, rural and remote Australia, to the extent that this is broadly compatible with its overall commercial interests.

In accordance with Telstra’s carrier licence conditions, on 29 August 2014 the ACMA received Telstra’s report on performance against the local presence plan for the previous reporting period (2013–14).

## Consumer Consultative Forum

The Consumer Consultative Forum (CCF) is a formal advisory committee established under section 59 of the ACMA Act to help the ACMA perform its consumer functions. It provides advice to the ACMA on communications issues (mainly telecommunications and the internet) that affect consumers.

This year, the ACMA appointed a new consumer representative—George Fong (Internet Australia). Consumer representatives joined regulators and industry bodies at two meetings during the reporting period to discuss topics including:

* the nbn network and its impact on consumers
* ACMA activities such as the enforcement of the TCP Code
* the government’s deregulation program
* the incidence of bill shock due to children using devices over school holidays

holistic approaches to dealing with consumers’ financial hardship.

# *Icon of scissorsDeliverable*: Minimise unsolicited spam and telemarketing communications

# *KPI*: The adverse impacts of spam and unsolicited telemarketing on the economy and society are minimised

## Overview and significant outcomes

To deliver its unsolicited communications compliance outcomes, the ACMA adopts a graduated approach to compliance and enforcement. This approach is complemented by education and stakeholder engagement activities, targeted campaigns and international cooperation. The aim is to minimise the impact of spam and unsolicited telemarketing and fax marketing by encouraging telemarketers, fax marketers and e‑marketers to avoid breaching their regulatory obligations in the first instance. Underpinning the compliance activities for unsolicited telemarketing and fax marketing, the ACMA also operates the Do Not Call Register.

The ACMA *Corporate plan 2013–16* sets out further key performance indicators for unsolicited communications compliance activities:

* the number of complaints and reports about unsolicited communications received from businesses after they have been sent informal warnings is low

the number of complaints about unsolicited communications within targeted priority areas reduces.

During the reporting period:

* the majority of businesses required only a single contact from the ACMA to address compliance issues, following a complaint from a member of the public about an unsolicited communication
* listings on the Do Not Call Register became permanent, whereas previously registrations expired after eight years
* numbers on the Do Not Call Register increased to over 10 million registrations in 2014–15

complaints about telemarketing and fax marketing from people with numbers on the register fell by 11 per cent.

The success of the ACMA’s informal compliance actions has allowed greater targeting of formal compliance activity. Investigations are now focused on repeated non‑compliance, flagrant breaches and complex matters.

## Unsolicited communications compliance

Under Part 26 of the Telecommunications Act, Australians can make complaints to the ACMA about contraventions of the *Do Not Call Register Act 2006* (DNCR Act), Telemarketing and Research Industry Standard 2007, Fax Marketing Industry Standard 2011 and *Spam Act 2003.[[4]](#footnote-4)* The ACMA also receives reports of spam activity, some directly from individuals and some indirectly via ISPs or from organisations dedicated to combating spam. In the reporting year, the ACMA received over eight million spam reports.

As part of the ACMA’s unsolicited communications business compliance program, priority is given to reports that are sent directly to the ACMA by individuals using two primary channels established for this purpose:

* report@submit.spam.acma.gov.au for email spam

the SMS reporting number for SMS spam.

Using the complaints about unsolicited telemarketing, fax marketing and spam reports from these primary channels to identify businesses that are potentially in breach of the legislation, the ACMA undertakes a graduated series of interactions with these businesses, with the objective of achieving compliance in the most efficient way.

The remaining spam reports provide the ACMA with intelligence that assists its investigations, trend analysis and identification of malware within spam messages.

Table 24 summarises the complaints and spam reports from the primary channels made to the ACMA about unsolicited communications in the current and previous financial years. Compared to 2013–14, there was a small increase in the number of spam complaints and primary reports received in 2014–15, while there was an 11 per cent decrease in Do Not Call complaints. Virtually all complaints received about the DNCR Act and related industry standards were about telemarketing, with fewer than one per cent of complaints about unwanted fax marketing.

1. Complaints and reports (primary channels only) from members of the public about unsolicited communications

|  |  |  |
| --- | --- | --- |
| Activity | 2013–14 | 2014–15 |
| Email complaints and reports  | 338,817 | 343,948 |
| SMS complaints and reports | 9,162 | 7,077 |
| **Total Spam Act** | 347,979 | **351,025** |
| Telemarketing | 20,232 | 18,081 |
| Fax marketing | 230 | 99 |
| **Total DNCR Act and related industry standards** | 20,462 | **18,180** |

Once a business is identified from a complaint about non-compliance with the DNCR Act or industry standards, it is advised of its obligations under the Act. If further complaints are received, it is issued with an informal warning. Where voluntary compliance is not forthcoming and informal resolution is not achievable, the ACMA may escalate to a formal investigation. A business that is the subject of a spam complaint or primary channel report may receive several informal warnings before escalation.

Table 25 summarises the informal and formal compliance actions taken by the ACMA for the Spam Act, DNCR Act and related industry standards in 2014–15. Because the total number of complaints about the DNCR Act and related industry standards decreased, the ACMA sent fewer advisory and informal warning letters than in
2013–14. In 2014–15, 75 per cent of businesses that attracted spam complaints and 78 per cent of businesses that attracted telemarketing complaints received no further complaints after being sent a single informal advisory or warning letter.

1. Graduated compliance activities and enforcement outcomes

|  |  |  |
| --- | --- | --- |
| Activity | 2013–14 | 2014–15 |
| **Spam Act**  |
| Informal warnings | 4,697\* | 6,918 |
| Investigations | 10 | 4 |
|  *Formal warnings* | 5 | 2 |
|  *Enforceable undertakings* | 1 | 1 |
|  *Infringement notices* | 3 | 1 |
| **DNCR Act and related industry standards** |
| Advisory letters | 940\* | 880 |
| Informal warnings | 114\* | 82 |
| Investigations | 5 | 5 |
|  *Formal warnings* | 2 | 1 |
|  *Enforceable undertakings* | 2 | 0 |
|  *Infringement notices* | 1 | 0 |

\*Revised from previous year.

During 2014–15, the ACMA finalised five telemarketing- and five spam-related investigations under Part 26 of the Telecommunications Act.

For the telemarketing investigations:

* the ACMA issued one formal warning for contraventions of the DNCR Act to Sputt Link Pty Ltd
* the remaining four investigations resulted in no findings/administrative closure without enforcement outcomes.

For contraventions of the Spam Act:

* the ACMA accepted one enforceable undertaking from Club Retail Pty Ltd
* an infringement notice was paid by AUSvance LLC

the ACMA issued two formal warnings—one to Australian Premier Products trading as Get Wines Direct and another to Vadkho Pty Ltd trading as GoDeals.

### Education initiatives and stakeholder engagement

To help businesses meet their unsolicited communications obligations and the public deal with unsolicited marketing, the ACMA engages in targeted educational activities. This includes:

* **Two industry blog streams**—aimed directly at businesses that engage in telemarketing and e-marketing, *Successful e-marketing ... it’s about reputation* and *Better telemarketing … take the right line* promote and encourage businesses to comply with the rules.
* **Consumer alerts**—inform the community about pertinent issues such as new malware or scams that are circulating.
* **Social media**—as well as using traditional channels, the ACMA increasingly engages with members of the public on telemarketing and spam-related issues via Facebook and Twitter. These channels also enable the ACMA to quickly issue alerts and warnings about apparent phone, email and SMS scams in circulation.

**Targeted education campaigns**—during 2014–15, the ACMA observed a high number of complaints about telemarketing calls on the installation of retail solar energy equipment. To address apparent systemic problems underlying these complaints, the ACMA began a targeted education campaign to educate industry on complying with the DNCR Act and Telemarketing and Research Calls Industry Standard. The results of this campaign will be assessed in 2015–16.

### International cooperation

Recognising that it is a global issue, the ACMA strives to be an international leader and influential in combating unsolicited communications. The aim of cooperating internationally is to reduce the impact on Australians of unsolicited communications originating elsewhere. In 2014–15, the ACMA actively participated in a number of international efforts to counter unsolicited telemarketing calls and spam:

* **London Action Plan**—the LAP is a prominent international forum that fosters spam enforcement cooperation between its members. The LAP has 45 government members, 28 industry participants and five observers.
* **International Do Not Call Network**—the network (affiliated with the LAP) focuses on unsolicited telemarketing calls and administering Do Not Call schemes in members’ respective jurisdictions.

**2014 Internet Governance Forum**—sponsored by the United Nations Secretary General, the IGF brings together a range of stakeholders to discuss public policy issues related to internet governance. In 2014, the ACMA contributed to a best-practice group on spam.

## Do Not Call Register

From May 2015, registrations of numbers on the Do Not Call Register became permanent. Under previous arrangements, registrations expired after eight years.

In 2014–15, 660,000 fixed-line, mobile and fax numbers were added to the register, for a total of 10.26 million numbers at 30 June 2015. This comprised 5.39 million fixed-line numbers, 4.46 million mobile numbers and 410,000 fax numbers (see Figure 3). Registration is free and numbers can be added, checked or removed at any time.

To help them comply with the DNCR Act, telemarketers and fax marketers can submit their call lists for checking against the register. In 2014–15, over 960 million numbers were checked or ‘washed’ against the register by 1,096 telemarketers and fax marketers.

1. Fixed-line, mobile and fax numbers listed on the Do Not Call Register, 2010–11 to 2014–15



## De-registration of Internet Industry Spam Code of Practice

On 16 October 2014, the ACMA de-registered the Internet Industry Spam Code of Practice, following a public consultation process.

The ACMA considered that the code had no ongoing utility in protecting networks and subscribers from email spam. The code was developed and registered in 2006 to provide an operational framework for ISPs and email service providers to address email spam on its networks. Since this time, ISPs and email service providers have deployed mechanisms for meeting the threat of email spam (as well as other emerging abuses) that were developed without reference to the code and go beyond its framework.

Existing protections in the Spam Act continue to provide appropriate community safeguards against spam.

# *Icon of televisionDeliverable*: Maintain effective broadcasting and community standards

# *KPI*: Community’s confidence in the efficacy of broadcasting regulation is maintained

## Overview and significant outcomes

On 17 October 2014, the ACMA was given a discretion to investigate complaints about broadcasting matters. Previously, the ACMA had to investigate all such complaints even when, for example, the matter complained of was clearly trivial.

When deciding whether to investigate a particular matter, the ACMA’s primary consideration is the public interest. In this regard, a range of factors are considered, including, for example, the nature and seriousness of the issue raised.

The introduction of this discretion has allowed the ACMA to review processes for responding to complaints into broadcasting matters to improve the timeliness of outcomes, produce internal efficiencies and reduce the administrative burden on industry.

The benefit of the reviewed processes is evident in the broadcasting investigations statistics reported during 2014–15, with the average time taken to investigate broadcast matters reduced to 2.6 months—from approximately 3.1 months per investigation last year. This is a significant reduction from the average of approximately 4.7 months five years ago.

Across the board, compliance by industry with the legislative provisions, standards, conditions and codes of practice was high during the reporting period.

## Ownership and control

The ACMA monitors and investigates compliance with the media diversity and control rules, and takes enforcement action where appropriate. It also handles applications for prior approval of temporary breaches of control rules.

### Compliance with ownership and control provisions

Notifications of changes in control

During the reporting period, the ACMA received notifications about 16 events that affected the control of media operations, most of which affected multiple media operations. These notifications of change of control affected:

* 51 commercial radio broadcasting licences

20 associated newspapers.

No commercial television broadcasting licences were affected.

There were no formal investigations into compliance with the ownership and control limits in the BSA in 2014–15. Informal enquiries and analysis of ownership and control matters were undertaken as required.

Annual notifications

All 327 commercial television and radio broadcasting licensees, as well as publishers of all 46 associated newspapers, lodged annual returns notifying the ACMA of all directors of companies in a position to exercise control of the licence or newspaper as at 30 June 2014.

In 2014, the requirement on licensees/publishers to notify controllers and directors of controllers at the end of each financial year was removed, with effect from 2014–15.

Enforcement for failure to comply with notification provisions

Most of the notifications lodged with the ACMA for change of control events that occurred in the reporting period were lodged within statutory time limits. During the reporting period, no infringement notices and eight formal warnings were given for late notifications of changes in control (four related to late notifications submitted in the previous financial year).

Applications for prior approval

The ACMA approved five applications for prior approval of temporary breaches under section 67 and one application for prior approval of a transaction that will result in an unacceptable media diversity situation (UMDS) under section 61AJ during the reporting period. These breaches arose in the Sydney RA1 licence area and the Mt Isa RA1 licence area as a result of the merger of Macquarie Radio Network (MRN) with the radio business of Fairfax Media Limited (Fairfax). All applications were finalised within the allowed statutory period. Details of temporary breaches approved by the ACMA are provided in the Register of Notices and Approvals under Part 5 of the BSA, available on the ACMA website.

The ACMA also accepted enforceable undertakings given by MRN and Fairfax under section 205W and section 61AS of the BSA to remedy the temporary breaches and the UMDS by selling Radio 2CH Pty Ltd or the 2CH commercial radio broadcasting licence in the Sydney licence area and 4LM in the Mt Isa licence area. The undertakings are published on the ACMA website.

Category-of-service opinions

Section 21 of the BSA allows a person who is providing, or who proposes to provide, a broadcasting service to apply to the ACMA for an opinion as to which category of broadcasting service the service falls into. The ACMA did not give any category-of-service opinions during the reporting period.

## Local content

### Regional television

The Broadcasting Services (Additional Television Licence Condition) Notice 8 November 2007 requires regional commercial television broadcasting licensees in Queensland, New South Wales, Victoria and Tasmania to broadcast minimum amounts of material of local significance (local content).

Based on figures provided to the ACMA by the licensees subject to the condition, all licensees met the quota requirements for the 2013 calendar year, the last year they were collated.

Taking into account the high level of licensee compliance, including the high visibility of compliance with this obligation, the ACMA amended the licence condition in 2014 to remove reporting obligations and reduce record-keeping requirements.

Investigations—local content licence condition

During the reporting period, there were no complaints or investigations involving compliance with the local content licence condition.

### Regional radio

Local content—all regional commercial radio broadcasting licensees

The Broadcasting Services (Regional Commercial Radio – Material of Local Significance) Licence Condition 2012 requires 211 regional commercial radio licensees to broadcast prescribed amounts of material of local significance (known as ‘local content’) between 5 am and 8 pm on business days.[[5]](#footnote-5) Licensees are exempt from this obligation for a five-week ‘holiday’ period each year.

Annual reporting from licensees submitted by 30 September 2014 for the 2013–14 financial year showed a very high level of compliance with the local content licence condition. All of the 211 regional commercial radio licensees broadcast the prescribed amount of local content.

One licensee reported non-compliance with the record-keeping requirement for two licences in a single radio licence area. This was caused by hardware crashes on the digital logging computer used for both licences. No further action was taken over the non-compliance, as the cause was inadvertent and the licensee had taken appropriate steps to prevent future non-compliance.

Taking into account the high level of licensee compliance, including the high visibility of compliance with this obligation, the ACMA amended the licence condition in 2014 to remove reporting obligations and reduce record-keeping requirements.

Investigations—local content licence condition

During the reporting period, there were no complaints or investigations involving compliance with the local content licence condition.

Local content and presence obligations due to a trigger event[[6]](#footnote-6)

Under the BSA, a regional commercial radio licensee affected by a trigger event is required to[[7]](#footnote-7):

* broadcast specified amounts of local news and information for 47 weeks per year (minimum service standards)
* maintain existing levels of local presence (local staff and facilities) for 24 months from the date of the trigger event.

Once a trigger event occurs for a licence, the licensee must give the ACMA a draft local content plan within 90 days setting out how it will meet its obligation to broadcast specified amounts of local news and information. Once the ACMA approves the plan, a licensee must take all reasonable steps to ensure that it complies with the plan.

Compliance with local content plans

Annual reporting for the 2013–14 financial year from trigger event-affected licensees showed a high level of compliance with their local content plans. Of the 110 trigger event-affected licensees reporting to the ACMA, all but two reported compliance with their approved plans. No further action was taken, noting that in both cases the impact of the non-compliance was minimal, the licensee continued to exceed the statutory minimum requirements, and action was taken to resolve the non-compliance and to prevent future non-compliance.

Compliance with existing levels of local presence

From 16 April 2012, regional commercial radio licensees have been required to maintain their existing levels of local presence for 24 months after a trigger event.

On 2 July 2014, the 24-month local presence compliance period ceased for two trigger event-affected regional commercial radio licences. On 15 March 2015, the 24-month local presence compliance period ceased for an additional two trigger event-affected regional commercial radio licences. Final reports on compliance with the local presence licence condition for these four licences were received within the statutory deadline.

Investigations—local news and information and local presence

There were no complaints about the way licensees fulfilled their local presence obligations and the requirement to broadcast local news and information on trigger event-affected regional commercial radio licensees. The ACMA conducted one investigation into the requirement to provide a local presence statement and a draft local content plan within 90 days of a trigger event. The investigation was concluded with no finding.

## Broadcasting compliance

The ACMA conducts investigations into matters related to broadcasting codes of practice and compliance with obligations in the BSA, including licence conditions and program standards.

Most investigations are undertaken in response to complaints about matters covered by the codes of practice. The ACMA can also investigate complaints made directly to it if they are about a licensee’s compliance with a licence condition or a program standard. The ACMA can also initiate investigations on its own volition where there are significant public interest reasons for doing so and can conduct investigations at the direction of the minister.

### Broadcasting codes of practice, licence conditions and standards

The ACMA’s co-regulatory role in dealing with complaints under industry codes is prescribed by the BSA.

Section 123 of the BSA allows commercial, subscription, narrowcast and community sections of the broadcasting industry to develop codes of practice and submit those codes to the ACMA for registration. The ACMA must register a code if it is satisfied that:

* the code provides appropriate community safeguards for the matters that it covers
* the code was endorsed by a majority of providers of broadcasting services in that section of the industry

members of the public have been given an adequate opportunity to comment.

National broadcasters notify their codes to the ACMA.

The BSA includes a number of licence conditions made by the Australian Parliament, including for captioning, tobacco advertising, political and election matter, material classified ‘Refused Classification’, local content and local presence. The ACMA also has the power to impose additional licence conditions on individual licensees.

The ACMA may determine program standards where codes of practice fail or where no code is developed by industry. Compliance with program standards is a licence condition on relevant licensees. In addition, the BSA requires the ACMA to determine standards for commercial television broadcasting licensees relating to programs for children and the Australian content of programs.

Issues of particular concern to Australians are generally covered by program standards. In 2014–15, there were program standards covering:

* Australian content on commercial television
* commercial influence on commercial radio current affairs programs
* children’s programming on commercial television

anti-terrorism requirements for narrowcast services.

### Code reviews

Codes of practice registered by the ACMA are regularly reviewed to ensure the matters covered by the codes remain relevant and the community safeguards they contain continue to address community concerns.

A review of the Commercial Television Industry Code of Practice 2010 began during the reporting period. The current code was last reviewed in 2008–09 and came into effect on 1 January 2010. Since January 2010, there have been some incremental updates of the code. For example, in 2013 new limits on betting odds promotions and gambling advertising during live sports broadcasts were introduced.

As part of the current review, Free TV Australia released a draft new code for public comment on 20 February 2015. The public consultation period ran for six weeks and closed on 3 April 2015, with Free TV continuing to accept submissions until 20 April 2015. Free TV received 2,874 submissions, which were provided to the ACMA as part of the review process. A decision on registration of the draft code is expected in the next reporting period.

The ACMA accepted a request in October 2014 from the Community Broadcasting Association of Australia to discontinue the review of the Community Radio Broadcasting Codes of Practice 2008.

### The ACMA’s enforcement powers under the BSA

The ACMA has a range of powers with which to address breaches of the BSA, licence conditions, program standards or industry codes.

Where there has been a breach of a code, the ACMA may accept an enforceable undertaking for the purpose of securing future compliance with the code, or it may impose an additional licence condition under section 43 of the BSA requiring a licensee to comply with the code.

In the event of a breach of a licence condition, including an additional licence condition imposed by the ACMA under the BSA, the ACMA has the power to give the licensee a remedial direction requiring compliance, or to suspend or cancel the licence. In the case of licence conditions imposed by the parliament, breaches can result in civil or criminal proceedings.

The ACMA may also informally agree to accept measures by broadcasters to improve compliance following breaches of codes of practice. For example, the ACMA has, on many occasions, agreed on measures with licensees involving action to address compliance problems.

### Investigations conducted by the ACMA in 2014–15

The numbers of complaints and investigations about radio and television licensees’ compliance with codes of practice, licence conditions and standards related to the BSA are provided in Table 26. Details of breach and non-breach findings by category of broadcasting service are in Appendix 6.

1. Broadcasting complaints and investigations for commercial, national, subscription and community broadcasters and datacasters, 2014–15

|  |  |
| --- | --- |
| Written complaints and enquiries received | **1,012** |
| Written complaints and enquiries actioned within time frame of seven days  | **1,003 (99%)** |
| Investigations completed | **145** |
| **Investigations resulting in breach findings^** | **35** |
| Investigations of compliance with codes of practice  | 6 |
| Investigations of compliance with BSA, licence conditions or standards | 29 |
| **Investigations resulting in non-breach findings** | **100** |
| Investigations of compliance with codes of practice  | 90 |
| Investigations of compliance with BSA, licence conditions or standards | 10 |
| **Investigations completed within time frame of three months** | **117 (81%)** |
| **Investigations completed within time frame of six months** | **134 (92%)** |
| **Average time for completion of investigations** | **2.6 months** |

\*Includes three investigations that resulted in no findings and seven investigations that were concluded (withdrawn prior to decision).

^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. Further details can be found in Appendix 6 or on the ACMA website.

Discretion to investigate

Since 17 October 2014, the ACMA has had a discretion whether to investigate complaints about broadcasting matters in the public interest. When deciding whether to investigate a particular matter, the ACMA considers a range of factors, including the nature and seriousness of the issue raised; the applicability of any relevant legislation, code of practice or standard; the matter’s potential to affect the community at large and its priority compared to other matters of public interest.

From 17 October 2014 to 30 June 2015, the ACMA exercised its discretion to investigate 61 valid complaints and declined to investigate 35 valid complaints (multiple valid complaints may concern a single broadcast or matter).

### Anti-siphoning provisions

The ACMA conducted no investigations into the anti-siphoning provisions in the reporting period. It dealt with 17 complaints or enquiries about the availability of sports programs on free-to-air television. The majority of the complaints were about events not being broadcast live, in-full or at all (such complaints are not currently within the ACMA’s jurisdiction).

### Australian content

All metropolitan commercial television broadcasting licensees reported meeting primary channel (55 per cent) and non-primary channels (1,095 hours) transmission quotas for Australian content in 2014.

The transmission quotas apply to programs televised by free-to-air commercial broadcasters between 6 am and midnight each calendar year and are specified by the BSA. Australian content on commercial television’s primary channels was high, with the Seven and Nine Networks each providing an average of over 70 per cent local programming and Network Ten an average of over 62 per cent.

In 2014, all three networks comfortably met the 1,095 non-primary channel transmission quota:

* Seven Network averaged 3,092 hours
* Nine Network averaged 1,662 hours

Network Ten averaged 3,490 hours.

In 2015, this transmission quota increases to 1,460 hours.

In addition to the transmission quotas, across their commercial television broadcasting service licensees must meet annual sub-quotas for first-release Australian drama, documentary and children’s programs, as well as sub‑quota requirements for repeat children’s programs and Australian preschool programs. All metropolitan licensees reported compliance with the annual sub-quota requirements in 2014.

The latest triennial period for the first-release Australian C drama quota concluded in 2014. The quota requirement for each triennial period is 96 hours. Both the Seven and Ten networks slightly exceeded the quota by providing 96.50 hours per licence. However, due to non-compliance found for first-release Australian C drama in 2013, the Nine Network failed to meet the 2012–14 triennium quota, providing 91.5 hours per licensee.

The 2014 Australian content compliance results for regional commercial television broadcasting licensees were not available at the time of publication.

### Broadcasting (Australian Content) Standard 2005

During 2014–15, the ACMA investigated 19 regional licensees’ compliance with the Broadcasting (Australian Content) Standard 2005 (ACS). These resulted from the ACMA’s investigations in 2013–14 into three Nine Network licensees’ compliance with quotas for Australian children’s programs.

### Children’s Television Standards 2009

Compliance with the Children’s Television Standards 2009 (CTS) is a licence condition for all commercial television broadcasting licensees. The CTS require these licensees to broadcast a combined total of at least 390 hours of children’s (C) and preschool (P) programs each year, with a minimum of 260 hours of C-classified and 130 hours of P-classified programs annually. These are the C and P quotas. The Australian Content Standard requires that 50 per cent of the C-quota must be first-release Australian programs and that all P-programs are Australian programs.

In 2014, the amount of first-release Australian children’s drama broadcast reported by the metropolitan networks averaged more than the 25-hour quota:

* Seven Network licensees averaged 37 hours (27 hours in 2013)
* Nine Network licensees averaged 32 hours (27.5 hours in 2013)
* Network Ten licensees averaged 37.5 hours (34 hours in 2013).

All metropolitan licensees reported meeting the annual minimum quota requirements for children’s programming in 2014. However, as discussed above, following investigations in 2014–15, three Nine Network licensees failed to provide at least 96 hours of first release Australian C drama in the 2012–14 triennial period, due to non-compliance found in 2013.

In 2014–15, the ACMA reviewed the compliance of 19 regional licensees’ compliance with the CTS. The investigations were initiated by the ACMA under section 170 of the BSA and related to compliance for the 2013 calendar year.

The ACMA found the 19 regional affiliates breached the CTS because the Nine Network had failed to meet the 260-hour quota and breached the ACS. No enforcement action was required as the Nine Network had implemented agreed measures to remedy the breaches.

The 2014 CTS compliance results for regional commercial television broadcasting licensees were not available at the time of publication.

Children’s and preschool programs

During 2014–15, the ACMA assessed 28 applications for classification of children’s and preschool programs, including the renewal of classification for three preschool programs. Two applications were refused classification. This compares with 40 programs assessed and 39 granted classification in 2013–14 (see Table 27).

All except one of these program classification assessments were completed within 60 days of the ACMA receiving a completed application.

A list of children’s television consultants and programs granted C or P classification is in Appendix 5.

1. Children’s and preschool program classification, 2013–14 and
2014–15

|  |  |  |
| --- | --- | --- |
|  | 2013–14 | 2014–15 |
| Applications granted classification | Applications refused classification\* | Applications granted classification | Applications refused classification\* |
| Children’s programs | 8 | 1 | 7 | 1 |
| Children’s programs—drama | 16 | 0 | 10 | 1 |
| Provisional—children’s | 7 | 0 | 6 | 0 |
| Provisional—preschool | 1 | 0 | 0 | 0 |
| Preschool programs | 7\*\* | 0 | 3 | 0 |
| **Total** | **39** | **1** | **26** | **2** |

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

\*\*Includes three renewals of classification.

### Subscription television drama expenditure

The new eligible drama (NED) expenditure scheme requires licensees and channel providers that provide subscription television drama services to spend at least 10 per cent of their annual total program expenditure on eligible drama programs during a financial year.

Each year, scheme participants are required to provide annual returns by 29 August. As a result, only 2013–14 information is available for this annual report. For the
2013–14 compliance period, five licensees and six channel providers supplied 30 eligible drama channels. All participants met their expenditure obligations for this period, reporting an expenditure on new eligible Australian drama of $36.81 million (aggregated). Of that expenditure, $25.76 million was nominated to acquit the expenditure shortfall for 2012–13. Similarly, for 2014–15, licensees and channel providers must spend a minimum of $18.06 million on new eligible programs to acquit the remaining 2013–14 obligation.

Industry compliance results for the current and previous periods are shown in Table 28.

1. Revised NED expenditure compliance, 2008–09 to 2013–14

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2008–09 | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 |
| $million |
| NED expenditure requirement | 26.11 | 27.74 | 30.87 | 28.82 | 33.41 | 28.57 |
| Expenditure on NED | 28.56 | 36.15 | 34.63 | 24.38 | 13.70 | 36.81 |
| Expenditure nominated to make up previous year’s shortfall | 13.88 | 11.32 | 12.11 | 6.81 | 6.41 | 25.76 |
| Expenditure nominated towards current year’s NED requirement  | 14.79 | 15.59 | 24.05 | 22.53 | 6.42 | 10.14 |
| Remaining obligation to be acquitted next financial year | 11.32 | 12.15 | 6.81 | 6.41 | 25.76 | 18.06 |

### Captioning

In September 2014, the ACMA received annual compliance reports on captioning obligations for national television broadcasters (the ABC and SBS), commercial television licensees and subscription television licensees.

The annual compliance reports indicated a high level of compliance with annual captioning target requirements during 2013–14, the second year for new television captioning obligations:

* All 51 commercial television broadcasting licensees (involving 75 services) and SBS services (in 12 coverage areas) exceeded their annual captioning target requirements. In total, the 95 free-to-air (commercial and national) television services broadcast 573,352 hours of captioned television programs on their primary services in 2013–14 (6 am to midnight). This comprised approximately 97 per cent of the programming broadcast during this period.

Ninety-nine per cent of subscription television services (656 out of 660) met their annual captioning target requirements. During the year, captioning services were required to be provided on 372 subscription television services (or 80 distinct subscription television channels—as the same channels provided by different licensees are treated as different services under the captioning legislation).

However, some television service providers also reported breaches of their captioning obligations during 2013–14. All of these providers have taken appropriate steps to prevent similar issues recurring, including resolving technical issues, enhancing procedures and undertaking staff training.

The ACMA did not take any formal enforcement action for these matters. This is consistent with its compliance and enforcement strategy—a graduated and strategic risk-based approach that generally uses the minimum power or intervention necessary to achieve the desired result.

Table 29 summarises the captioning breaches, excluding disregarded breaches.[[8]](#footnote-8)

1. Captioning breaches, 2013–14

| Captioning obligations | Description of obligations  | Free-to-air—number of services in breach | Subscription—number of services in breach |
| --- | --- | --- | --- |
| Annual captioning target  | Free-to-air: 95% captioning 6 am to midnight across the year on primary services, with exceptions.Subscription: from 5–70% captioning across the year depending on service category, with exceptions.(See notes below.) | Eight national services.One national broadcaster was approximately 1% under the target for its services in eight coverage areas, as one music program was not captioned until June 2014.  | Four services.One licensee was 1–8% under the various targets for four of its services due to unanticipated issues. |
| Emergency warnings  | Transmit emergency warnings in text and speech and, if practicable, with captioning. | 0 | 0 |
| Basic rule—designated viewing hours (free-to-air) | Caption all programming between 6 pm and 10.30 pm each day (designated viewing hours) on primary service. | 20 national services and 42 commercial-licensed services.Average total duration of breaches per non‑compliant service was approximately 30 minutes (0.03% of the designated viewing hours in the year). | n/a |
| Basic rule—news and current affairs (free-to-air) | Caption all news and current affairs outside designated viewing hours on primary service. | 20 national services and 39 commercial-licensed services.Average total duration of breaches per non‑compliant service was approximately 35 minutes in the year. | n/a |
| Multi-channel (free-to-air) | Caption repeated programs on a multi-channel if those programs have previously been broadcast with captioning on the broadcaster’s primary service in the licence or coverage area. | 15 commercial-licensed services.Average total duration of breaches per non‑compliant service was approximately 41 minutes in the year. | n/a |
| Simulcast programming (subscription) | Caption simulcast programs on the second service if the programs are simultaneously transmitted with captioning on the first service. | n/a | 15 services (three distinct channels involved) |
| Repeat programming (subscription) | Caption programs that have previously been transmitted with captioning and then repeated on the same or another subscription television service provided by the licensee. | n/a | 35 services (only seven distinct channels involved) |

Notes:

Captioning obligations do not apply to exempt programs, which include foreign programs (wholly in a language other than English) and music programs that do not contain any human vocal content.

In 2013–14, three commercial broadcasters had reduced annual targets of 85 per cent as a result of target reduction orders (unjustifiable hardship).

Some subscription services were exempt from the annual captioning target in 2013–14 as a result of exemption orders (unjustifiable hardship) and nominations under section 130ZX of the BSA (a transitional measure that allows exemption of certain services if the licensee has met the annual captioning target for the threshold number of services).

Exemption orders and target reduction orders

In 2014–15, the ACMA received 72 applications for exemption orders (for 72 separate services) and 10 applications for target reduction orders (for seven services). The ACMA made 72 exemption orders for three individual subscription television licensees and four target reduction orders for one subscription television licensee. Three applications for target reduction orders were refused. The ACMA’s decision on the remaining three applications for target reduction orders, which were received in May 2015, were not finalised at 30 June 2015. The ACMA met the statutory requirement to make a decision on each application for exemption orders and target reduction orders within 90 days of receiving the applications.

Legislative amendments

Amendments to captioning provisions in the BSA began from 20 March 2015. The government introduced the amendments to improve administration arrangements and increase flexibility for television services in complying with captioning obligations. Key changes included the following:

* requiring the ACMA to review and vary as appropriate the captioning quality standard to consider the differences between the captioning services for live television programs and pre-recorded television programs by 19 March 2016
* exempting new subscription television services in Australia from the annual captioning targets for at least the first 12 months of operation
* allowing aggregation of captioning targets across subscription television sports channels supplied by the same channel provider, subject to minimum levels being met on each individual channel of the channel provider
* amending record-keeping requirements to differentiate between written records and audiovisual records.

# *Icon of world globeDeliverable*: Maintain effective online content and community standards

# *KPI*: Citizens have effective and accessible avenues of complaint for online content that breaches community standards

## Overview and significant outcomes

The role of the ACMA Hotline as the national reporting mechanism for online child sexual abuse material was enhanced this year.

In 2014–15, the ACMA’s major initiatives in this area included:

* finalising 8,728 investigations into online content, including 5,090 investigations into online child sexual abuse content
* bringing together law enforcement, NGOs, regional hotlines and industry partners to discuss a multi-sector approach to online child exploitation at the *Combating child exploitation material online* forum

managing a marked increase in complaints and general enquiries about the *Interactive Gambling Act 2001* (IGA).

## Online content complaints

The Online Content Scheme (branded as the ACMA Hotline for reporting offensive and illegal online content) is a mechanism for Australian residents and law enforcement to complain about a range of online content, and for the ACMA to take certain action where it finds prohibited or potential prohibited material. The ACMA Hotline is a longstanding member of the International Association of Internet Hotlines (INHOPE), whose member hotlines deal with complaints about illegal internet content from around the world, especially child sexual abuse material.

The ACMA Hotline:

* investigates all valid complaints about potentially offensive or illegal online content
* directs take-down of prohibited content if it is hosted in Australia
* notifies prohibited URLs to optional end user (PC-based) filters
* notifies all potentially illegal content to law enforcement
* notifies all overseas-hosted child sexual abuse material to the Australian Federal Police (AFP) or INHOPE for rapid police action and take-down in the host country.

The ACMA Hotline received 4,801 complaints in the period 1 July 2014 to 30 June 2015, a 19 per cent increase on 2013–14. Of the complaints received during the year, 170 were invalid as they did not contain information required under the BSA to enable the ACMA to conduct an investigation. A single complaint may lead to the investigation of multiple items, depending on the nature of the complaint and the content involved, with an ‘item’ referring to an individual article of content such as a web page, image or file.

The ACMA finalised investigations into 8,728 individual items of content. A total of 625 investigations were terminated because the ACMA was unable to obtain sufficient information on which to base a decision, usually because the content identified in the complaint could not be located. Of the investigations completed, 6,708 items of prohibited and potential prohibited content were identified (see Table 30).

Over 99 per cent of investigations into child sexual abuse material items were completed within two business days and notified to the AFP and/or the INHOPE network for law enforcement investigation and rapid take-down in the host country.

Over 99 per cent of all investigations about online content were completed within 20 business days.

A total of 6,708 overseas-hosted prohibited or potential prohibited items of internet content investigated were referred to the makers of optional end user internet software filters under Schedule 5 of the BSA and the registered internet codes of practice for dealing with such material.

The ACMA also referred 22 items of content to the Classification Board for formal classification under the National Classification Scheme.

During 2014–15, no take-down notices, service-cessation notices or link-deletion notices were issued to Australian service providers. There has been 100 per cent compliance with such notices across the life of the Online Content Scheme.

Under the BSA, prohibited content is defined with reference to the classification categories set out in the National Classification Scheme. Approximately 79 per cent of items that were prohibited or potential prohibited were, or were likely to be, Refused Classification. Of Refused Classification items, or items likely to be Refused Classification, 96 per cent constituted an exploitative or offensive depiction or description of a child.

Table 30 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.

1. Prohibited/potential prohibited internet content 2014–15, 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 | 229 |
| X 18+(Explicit sexual content) | 0 | 1,082 |
| 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 | 233 |
| RC 1(b)(Refused Classification content for offensive depictions/descriptions of children) | 0 | 5,090 |
| RC 1(c)(Refused Classification content for instruction, incitement or promotion of crime or violence) | 0 | 4 |
| RC 1(d)(Computer games that are unsuitable for a minor to see or play) | 0 | 0 |
| 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** | **6,708** |

As shown in Figure 4, the US continued to account for the majority of prohibited/potential prohibited online content provided from outside Australia.

1. Prohibited or potential prohibited internet content by host location, 2014–15



### National Child Protection Week

In 2014, the ACMA Hotline marked its fourth consecutive year of involvement with National Child Protection Week (7–13 September 2014) to raise awareness of how online child sexual abuse material is combated, both in Australia and internationally. This annual national campaign is an initiative of the National Association for Prevention of Child Abuse and Neglect (NAPCAN).

During the week, the ACMA Hotline conducted 550 investigations into child sexual abuse material based on complaints—a 30 per cent increase on the previous year’s activities. All of the content was found to be hosted overseas and notified to the AFP or an INHOPE member hotline for appropriate action in the hosting country. Of the 550 items that were investigated, 89 per cent of the content was removed within seven days.

### CCEMO forum

In July 2014 the ACMA and the AFP co-sponsored the inaugural *Combating child exploitation material online* (CCEMO) regional cooperation forum and training event.

The forum brought together law enforcement, INHOPE and INHOPE Foundation members in the Asia–Pacific region, along with industry and non-government organisations that work to combat online child exploitation material.

The event highlighted current best-practice measures for combating online child exploitation material and explored new opportunities for cross-sector action and collaboration. The forum successfully consolidated relationships between the key regional players, and generated commitments for enhanced collaboration and information-sharing throughout the Asia–Pacific region.

## Interactive gambling

In 2014–15, the ACMA received 178 complaints and general enquiries about the IGA. The ACMA conducted:

* 10 investigations into overseas-hosted URLs, of which six resulted in breach findings and were notified to accredited family-friendly filter providers and the AFP[[9]](#footnote-9)
* 16 preliminary assessments of Australian-hosted URLs, of which six were referred to the AFP[[10]](#footnote-10)

13 preliminary assessments of interactive gambling advertising, all of which were referred to DoC.

1. Comparison of interactive gambling assessment outcomes in
2014–15 by host location—IGA



# *Icon of computerDeliverable*: Promote engagement in the information economy and evolving networked society

# *KPI*: Citizens engage positively, confidently and securely in the developing information economy and evolving networked society

## Overview and significant outcomes

The ACMA’s activities continue to recognise the evolving character of the information economy and networked society by understanding how citizens engage or struggle to engage, addressing new and existing obstacles, and providing enhanced tools for private sector partners to address these barriers.

During the reporting period:

* Cybersmart continued to focus on maximising its reach into more Australian communities with customised online safety content. A key outcome of the program during 2014–15 was the delivery of its latest tailored, multi-award-winning resource, #GameOn, for use by upper primary and lower secondary school students.
* A series of significant changes was made to the ACMA’s Australian Internet Security Initiative (AISI), including the launch of a dedicated member portal in November 2014.
* As part of the research**acma** program, the ACMA continued its series of short, fit‑for-purpose research snapshots and also released 11 individual research reports. This included the flagship *Communications report 2013–14*, which was tabled in parliament on 3 December 2014.

## Cybersafety—the Cybersmart program

The ACMA manages a national cybersafety education program, a role conferred on it under schedules 5 and 7 of the BSA.

In 2014–15, cybersafety community education activities centred on the deployment of online safety presentations and pre-service teacher training, including:

* introducing virtual delivery methods to expand the potential audience

producing information material to help schools, pre-service teachers and parents develop the necessary skills to use digital technologies confidently and safely.

The Cybersmart website is the main portal for hosting and delivering cybersafety information and resources to students, parents and teachers.

In 2014–15, the site had 1,310,682 visitors and 5,850,073 page views. Since the site’s July 2009 launch, there have been over 5.26 million visitors and more than 34.4 million page views.

In the reporting period, Cybersmart continued to engage directly with target audiences on social media platforms such as Facebook, Twitter and YouTube. Audience-specific content, videos, expert interviews, and current cybersafety news and trends collectively attracted thousands of readers.

Cybersmart continues to provide access to a Helpline service for young people that offers real-time online and telephone professional counselling and advice about issues such as cyberbullying. Delivered in partnership with Kids Helpline, the service is free and confidential. The Cybersmart program continues to be the lead referral point for young people accessing the Kids Helpline service.

### New Cybersmart education resources

On 16 October 2014, Cybersmart released its latest suite of online safety resources—#GameOn, a series of videos for upper primary and lower secondary school students with accompanying lesson plans for teachers. #GameOn explores online safety issues of particular concern to that age group, including cyberbullying, excessive gaming, sharing passwords and managing online friends. During 2014–15, #GameOn won a number of international awards, including:

* Gold in the Education – Middle School category at the World Media Festival—6 May 2015, Hamburg

Silver in the Online Educational Program category at the New York Festivals International Television & Film Awards—14 April 2015, Las Vegas.

### Cybersmart Outreach program

Cybersmart Outreach supports an extensive education program for school students, teachers and parents. Table 31 provides an overview of key performance metrics for 2014–15.

1. ACMA cybersafety initiatives

|  |  |  |
| --- | --- | --- |
| Type of initiative | 2014–15 | Total to date |
| Internet Safety Awareness presentations(available since January 2009) |
|  | Events | 1,786 | 10,845 |
|  | Attendees | 209,308 | 1,165,985 |
| Professional Development workshops(available since January 2009) |
|  | Events | 22 | 603 |
|  | Attendees | 665 | 15,034 |
| Pre-Service Teacher Program(available since October 2009)  |
|  | Events | 38 | 229 |
|  | Attendees | 4,026 | 23,862 |
| **Total events** | **1,846** | **11,677** |
| **Total attendees** | **213,999** | **1,204,881** |
| Connect.*ed* Online PD Program(available since April 2011)  |
|  | Registered | 3,689 | 13,317 |
|  | Completed | 1,429 | 3,992 |
| **Total hard-copy resources delivered**(Cybersmart resources have been available since April 2008) | **272,952** | **7,680,451** |

### Key partnerships

The ACMA looks to work productively with other organisations, both in Australia and overseas, 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.

The ACMA has MoUs with The Alannah and Madeline Foundation (a national charity that protects Australian children from violence), NetSafe (New Zealand’s online safety advisory body) and Childnet International, a global children’s charity based in the UK. Key partners include agencies involved in the government’s Online Safety Working Group as well as state and federal police forces and education departments.

In July 2014, the ACMA launched an update to its digital citizenship resources in partnership with the AIMIA Digital Policy Group, The Alannah and Madeline Foundation, Commonwealth Bank, Facebook, Google, Telstra, Twitter and Yahoo7. The focus was on combating cyberbullying by raising awareness of new resources from both the ACMA and our partners. The update was supported by the Parliamentary Secretary to the Minister for Communications and extensively promoted through partner blogs and social media channels.

Each year, the ACMA considers and grants a large number of requests to link to and use Cybersmart resources. Proposals to collaborate on significant initiatives are assessed under the Online Safety Partnerships Guidelines. Over the past year, the ACMA joined with other organisations in raising online safety awareness during Day for Daniel (30 October 2014), Safer Internet Day (10 February 2015), National Day of Action Against Bullying and Violence (20 March 2015) and Privacy Awareness Week (3–9 May 2015).

## Cybersecurity

The ACMA operates the Australian Internet Security Initiative (AISI) to help address the problem of compromised computing devices. These devices can become compromised through the surreptitious installation of malicious software (malware) that enables the computer to be controlled remotely for illegal and harmful activities without a user's knowledge. Under the AISI program, daily reports are provided to AISI members (principally ISPs) of malware infections occurring on their networks. Members are able to use this data to inform their affected customers of the malware compromise.

During 2014–15, a series of significant changes were made to the AISI. These expanded the range and quality of information available, via AISI members, to home and small business users to help them safeguard their online personal information and secure their online interactions. The changes included:

* Establishing an AISI portal—launched in November 2014, the portal gives AISI members access to constantly updated, comprehensive and historical data about malware infections and vulnerable services relating to their networks. The portal enables granular searches of this data, allowing AISI members to help their customers isolate the location of specific malware infections within their home or small business networks and on their computing devices, and determine malware trends occurring on their network’s IP address ranges. Over 215 million discrete malware and vulnerable services observations were added to the portal during the year.
* Reporting services vulnerable to known exploits (such as websites, network-attached storage devices and home routers) that are compatible with insecure and outdated encryption standards. Since its introduction in March 2015, an average of approximately 106,000 ‘vulnerable’ IP addresses was reported per day to AISI members. This extension to the AISI helps home and small business users by improving the security of the Australian web services with which they undertake transactions. It also helps raise the security levels of home routers by alerting home users to vulnerabilities in this equipment.

Expanding the reporting of malware infections and providing more comprehensive malware data—making it easier to identify and remove malware infections. An average of approximately 26,645 malware observations per day was reported to AISI members during the year. Over the full year, approximately 1.394 million unique Australian IP addresses were reported.

The number of AISI participants increased from 139 at 30 June 2014 to 140 at 30 June 2015. Over 95 per cent of residential internet services in Australia are estimated to be covered by these participants.

Reports of spam provided to the ACMA can indicate ‘phishing’ activities—the use of electronic messages to acquire significant personal or financial information from users. Since 2011–12, the ACMA has provided notifications of URLs appearing in phishing messages to government agencies such as the Australian Taxation Office, and critical infrastructure providers such as telecommunications carriers and financial institutions, who are commonly targeted by phishing campaigns. In 2014–15, a monthly average of 3,627 phishing notifications was sent.

In support of these activities, in 2014–15 the ACMA:

* published on its website daily updated statistics on the number and types of malware infections and service vulnerabilities observed on Australian IP address ranges
* increased data on compromised computers feeding into the AISI in order to enhance the detection of compromises. Over 30 different data feeds are currently used in the AISI, with data in these feeds carefully assessed for accuracy and relevance before the feed is incorporated into the program.

These activities form part of the whole-of-government effort to address cybersecurity risks. In support of this effort, the ACMA also provides data to law enforcement authorities and to CERT Australia that help in identifying current and new cybersecurity threats.

## researchacma

The ACMA’s research program helps it make decisions as an evidence-informed regulator and understand the implications that regulation of communication and media markets may create. It aims to inform strategic policy development, regulatory reviews and investigations, as well as help Australians to make better decisions about media and communications.

The research**acma** program has five broad areas of interest:

* market developments
* media content and culture
* digital society
* citizen and consumer safeguards

regulatory best practice and development.

In each of these areas, the ACMA uses a variety of research methods to develop a body of evidence and analysis about the efficiency and effectiveness of regulatory settings and tools.

In 2014–15, the ACMA continued with its series of research snapshots, releasing eight short, fit-for-purpose research pieces on topics of relevance to the ACMA and its broad stakeholder base. It also released 11 individual research reports, including the *Communications report 2013–14*.

During the reporting period, the three most popular research outputs accessed on the ACMA website were:

* *Aussie teens online*
* *Communications report 2013–14*

*Supply and demand: Catch-up TV leads Australians’ online video use*.

### Market developments

In the reporting period, the ACMA undertook a range of research on developments in communications and media markets, which included the communications report series.

Communications report 2013–14 series

* ***Communications report 2013–14* (December 2014)**

Tabled in parliament on 3 December 2014, the *Communications report 2013–14* fulfils the ACMA's statutory reporting requirements under section 105 of the Telecommunications Actto report to the minister on significant matters relating to the performance of carriers and CSPs, including consumer satisfaction, consumer benefits and quality of service.

* **Report 1—*Australians’ digital lives* (March 2015)**

The first complementary report in the *Communications report 2013–14* series, *Australians’ digital lives* examines how users of different ages engage with digital technologies and how communications practices are changing.

* ***Report* 2—*The evolution of VoIP in Australia* (June 2015**)

The second complementary report in the 2013–14 series looks at the evolution of managed and over-the-top (OTT) voice over internet protocol (VoIP) services in Australia.

Australians get mobile—Using mobile devices for voice, messaging and internet access (June 2015)

This snapshot focuses on adult Australians who use mobile devices for voice, messaging and internet access, and who no longer rely on a fixed-line telephone or fixed internet connection at their home.

Supply and demand—Catch-up TV leads Australians’ online video use (February 2015)

This snapshot focuses on online video content (OVC) services, a market that has the potential to significantly change Australia’s broadcasting and entertainment landscape.

Tablets take off—take-up and use of tablet computers in Australia (December 2014)

This snapshot presents the latest data on consumer use of, and attitudes to, tablets and the role they play in the adoption of OTT communications services.

Strong signals—growing use of public Wi-Fi hotspots (November 2014)

This snapshot presents the latest data on the use of public Wi-Fi hotspots in Australia, which have become easier to access and more popular.

Six emerging trends in media and communications (November 2014)

This occasional paper highlights six trends with long-term implications for the regulation of the media and communications sector—OTT communications, consumers building their own networks, wearable devices, flexible television, multi-screening and changing consumption of news sources.

Regional Australia in the digital economy (August 2014)

This snapshot presents data on internet connectivity and internet use in major capital cities and regional areas.

Older Australians resist cutting the cord (July 2014)

This snapshot focuses on older Australians—those aged 65 years and over—and their use of fixed-line telephone services connected in the home, as well as their ownership and use of mobile phones.

### Media content and culture

In the reporting period, the ACMA undertook research to help inform its obligations to reflect community standards in the delivery of media and communications services.

Children's television viewing research (March 2015)

This research comprises two studies into children’s viewing of broadcast television:

* A commissioned community survey of parents and carers of children under 15 that offers a contemporary view of parental attitudes to children’s viewing patterns and behaviours.

An analysis of children’s television audiences and program ratings between 2001 and 2013.

### Social and economic participation

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

SMEs and digital communication technologies (September 2014)

This qualitative research report examines the adoption of new technology by small and medium enterprises (SMEs), including the drivers and barriers to take-up.

Utilities, transport and finance lead mobile productivity (August 2014)

This snapshot illustrates how mobile broadband technologies are driving productivity in small, medium and large businesses, allowing access to new suppliers, improving product and service delivery, increasing sales and saving businesses time and money.

Aussie teens online (July 2014)

This snapshot presents the latest research on the digital life of Australian teenagers, including data on their key online behaviours and how these compare to adult Australians.

### Citizen and consumer safeguards

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

Mobile calls to 13 numbers (July 2014)

This research report examines Australian mobile users’ calls to 13 numbers and the take-up of 13-friendly plans.

### Regulatory best practice and development

See the deliverable *Develop and maintain appropriate regulatory settings for an information economy and network society* for information about this research focus area.

# *Icon of scissorsDeliverable*: Develop and maintain appropriate regulatory settings for an information economy and network society

# *KPI*: Industry and business have sufficient confidence in regulatory settings to continue development of innovative communications and media services

## Overview and significant outcomes

The ACMA promotes engagement in the information economy and networked society by reviewing regulation to remove barriers to innovation and competition, reduce costs and update protections to be ‘fit-for-purpose’ but no more. It also conducts research into emerging communications and media issues facing industry, business and citizens, and facilitates industry responses that address any concerns.

The ACMA continues to communicate, facilitate and regulate to maintain appropriate regulatory settings, including deregulating based on consideration of these settings and the communications and media environment. The whole-of-government deregulation agenda provided a further emphasis on ensuring that current and new regulations continue to be better targeted, while the sunsetting regime provided a timely vehicle to reconsider a number of regulations.

The research**acma** program of work continues to provide a solid foundation for assessing the regulatory setting and ensuring that the ACMA’s regulatory settings promote confidence.

In 2014–15, the ACMA’s significant outcomes included:

* releasing an occasional paper reflecting on the role the ACMA’s research has played in informing decision-making and regulation over the last 10 years

making a significant contribution to the portfolio deregulation target while ensuring key consumer protections remain in place.

## Better targeted regulation

The ACMA has a legislative mandate and an ongoing commitment to regulate better and reduce unnecessary and unjustifiable regulatory imposts on industry. This has been given extra impetus as part of the whole-of-government deregulation agenda. A particular highlight during the reporting period was the portfolio contribution to the government’s deregulation target for 2014. Many of these initiatives eliminated redundant regulation and provided additional regulatory flexibility. These included:

* changing the Telecommunications (Service Provider – Identity checks for Prepaid Mobile Carriage Services) Determination 2013 to introduce additional methods for industry to verify the identity of pre-paid customers, making this process quicker, easier, cheaper and more convenient for consumers
* simplifying age verification requirements in the Restricted Access System Declaration to address changes to how consumers access online content.

These initiatives were implemented following extensive consultation with industry to develop the new arrangements. In implementing these deregulatory measures, the ACMA’s decision-making was undertaken in the context of its statutory obligations, and on the basis of a comprehensive risk assessment examining the impact of any proposed changes.

In recognition of the current structure and operation of the markets and industry, and existing safeguards for the community that remain in place, the ACMA:

* deregistered the Australian eMarketing Code of Practice
* deregistered the Australian Internet Industry Spam Code of Practice

repealed subsections of the Mobile Premium Service Determination and approved variations to the Mobile Premium Service Industry Code.

The ACMA also implemented a number of business process improvements that reduced the regulatory burden on industry and consumers. These included:

* modifying the complaint and enquiry forms used for the ACMA Hotline, online gambling, spam and general enquiries to make them mobile-accessible
* creating a centralised single point of contact for industry and consumers to deal with the ACMA

developing new online platforms to streamline the industry information submission process for eligible revenue and industry levy reporting, as well as moving from annual to self-reporting arrangements.

To support better targeted regulation, the ACMA also provided advice on legislative reforms, removed redundant regulation, reformed outdated regulation and reporting requirements, and worked with industry to revise a range of industry codes. These initiatives have delivered substantial savings in regulatory costs while maintaining key consumer safeguards.

## Regulatory best-practice and development research

As part of the research**acma** program, the ACMA continued its 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.

Optimal conditions for effective self- and co-regulatory arrangements (June 2015)

In this update to the September 2011 occasional paper, the ACMA has broadened the discussion to include a greater exploration of non-regulatory approaches that complement the use of traditional regulatory tools.

The ACMA’s international engagement—regulating in a globalised communications and media environment (June 2015)

This occasional paper discusses why the ACMA undertakes international engagement in terms of the global communications and media environment, and the public interest benefits it aims to achieve.

Mobile network infrastructure forecasting model (June 2015)

The ACMA commissioned Analysys Mason to develop, with input from mobile network operators, a mobile network infrastructure forecasting model that makes projections about the number of mobile sites required to meet future traffic demand. The ACMA will use this work to understand the mobile network infrastructure requirements of mobile broadband operators, and the role of spectrum, including potential future additional spectrum allocations, within this network.

Evidence-informed regulatory practice—an adaptive response, 2005–15 (April 2015)

In this occasional paper, the ACMA reflects on its regulatory practice over the past 10 years; specifically, the role of research in evidence-informed decision-making and regulation. It looks at how the ACMA has used research in an environment of ongoing change to document and build evidence, inform public debate about regulation, and build capability among our stakeholders to make communications and media work in Australia’s national interest.

See the deliverable *Promote engagement in the information economy and evolving networked society* for details of the full research**acma** program.

## Sunsetting

The ACMA continued the extensive and detailed work that flows from the new ‘sunsetting’ regime that commenced under the LIA during the year. Under the sunsetting provisions of the LIA, 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. The first round of such sunsetting occurred on 1 April 2015, with the second round due on 1 October 2015. Further rounds of sunsetting will occur at six-monthly intervals thereafter.

The sunsetting regime requires the ACMA to review, update and remake, or repeal, as the case requires, over 100 legislative instruments during the first two rounds. That exercise will help to ensure that the legislative instruments made by the ACMA are kept up to date and are in force only for so long as they are needed.

Part 4—Management and accountability

# Chapter 5: Managing and developing our resources

Chapter 5 details the ACMA’s staffing arrangements, governance, information management, communications and engagement, and financial and property management.

The ACMA continues to focus on strengthening its planning and resource management frameworks.

## Governance

The ACMA operates under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), where responsibility for governance and management of the ACMA resides with the Chairman as the accountable authority. The ACMA Chairman is also the head of the ACMA for the purposes of the *Public Service Act 1999* and has the rights, duties and powers of an employer for Australian Public Service employees in the ACMA.

Throughout 2014–15, the ACMA’s Executive Group assisted the Chairman in his role as the accountable authority of the ACMA by advising on issues of high-level corporate or strategic significance. The Executive Group comprises the Chairman, Deputy Chair, Full-time Member and the four Senior Executive Service (SES) Band 2 General Managers. The ACMA also has a number of other high-level committees overseeing finance and resource management, compliance and enforcement, and information technology.

### Corporate planning

The ACMA *Corporate plan 2013–16* covers a three-year period and identifies the ACMA’s objectives and priorities, as well as the necessary strategies to achieve them. It is also reflected at an individual level in performance management plans agreed between staff members and supervisors. The 2013–16 plan is available on the ACMA website.

In 2014–15, the ACMA undertook a major review of its strategic priorities and began implementing an integrated planning and reporting framework to meet the requirements for corporate planning and performance reporting under the PGPA Act. A key element of this framework is the ACMA’s outcomes-focused corporate plan, which seeks to:

* drive effectiveness by focusing on and measuring the outcomes that are important to the ACMA and its stakeholders
* communicate the value the ACMA delivers to the community by defining KPIs for each outcome and reporting these to the public

drive internal alignment, performance and accountability by appropriately reflecting outcomes and KPIs defined in the corporate plan in the internal business plans and staff performance agreements.

Implementation of this integrated framework will continue in 2015–16.

### Risk management and fraud control

The ACMA strives to have a robustly structured risk management culture throughout its organisation, and is committed to approaching all risk activities in a consistent, structured and informed manner, with decisions appropriately consulted on and documented. In 2014–15, the ACMA undertook an extensive review of its business continuity risks and continued to refine its business interruption response arrangements. These arrangements include the regular testing of ACMA’s Business Continuity Plan and Pandemic Action Plan.

The Executive Group regularly reviews the ACMA’s strategic risk profile, and continues to monitor and manage the ACMA’s key business risks.

The ACMA’s fraud control arrangements form part of its Risk Management Framework and are an important component of maintaining a risk management culture. The ACMA has appropriate fraud prevention, detection, investigation, reporting, and data collection procedures and processes in place.

During 2014–15, the fraud initiatives undertaken were a review of the ACMA’s fraud control policy, and fraud risks. Fraud risks are documented in the ACMA’s 2014–16 Fraud Control Plan. There were no incidents of fraud during the reporting period. In the next reporting period, the ACMA plans to update its Fraud Control Plan.

### Audit

The ACMA Audit Committee provides independent advice to the Chairman on the ACMA’s risk, control and compliance framework, as well as its external accountability responsibilities. During 2014–15, the Audit Committee met four times, continued to look at key corporate and regulatory processes, reviewed all internal and relevant external audit activity and reported on its performance against its Charter.

The ACMA’s internal audit services are provided by Protiviti and overseen by the Audit Committee. There were 11 internal audits completed during 2014–15. The implementation of all audit recommendations is tracked and closely monitored by the Audit Committee.

In 2014–15, the ACMA was the subject of an external audit on the Regulation of Unsolicited Communications. The audit was conducted by the Australian National Audit Office (ANAO), which has made two business improvement recommendations. This report was due to be tabled in the next reporting period.

### Security

The ACMA continued strengthening its protective security functions in line with the requirements of the Protective Security Policy Framework and Information Security Manual.

The ACMA has updated its internal risk management framework based on AS/NZS ISO 31000:2009 *Risk Management: Principles and Guidelines*, including the protective security risk documentation.

All statutory reporting requirements were met in 2014–15, including participation in the Protective Security Policy Framework compliance reporting conducted by the Attorney-General’s Department.

## Our people

The ACMA employed 470 staff at 30 June 2015, compared with 517 at 30 June 2014. Comparative staffing details are given in Appendix 3.

Employment arrangements and conditions of work for all non-SES employees of the ACMA are determined by the *ACMA Enterprise Agreement* *2011–2014* (the ACMA Agreement). Salary ranges available under the ACMA Agreement are in Appendix 3.

Terms and conditions for the ACMA’s 16 substantive SES employees are contained in common law contracts.

At 30 June 2015, the salary ranges for employees on common law contracts were:

* SES1—$172,628 to $181,259
* SES2—$214,162 to $291,354.

Non-salary benefits provided to employees on common law arrangements may include a performance bonus, a mobile phone, a car allowance and parking.

At 30 June 2015, 23 employees at ACMA Level 4, ACMA Level 6, Executive Level 1 (EL1) or Executive Level 2 (EL2) had individual flexibility arrangements (IFAs) for additional salary or retention bonuses. The highest additional salary increases the EL2 maximum to $160,000 per annum and the EL1 maximum to $133,747 per annum. The maximum retention bonus was $15,000 per annum.

### Performance payments

Performance pay is available to employees at EL2 (and equivalent) level under the ACMA Agreement and to SES employees under common law contracts. Total performance pay paid for 2014–15 is set out in Table 32.

1. Performance payments 2014–15

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Employee level  | Employees paid | Total performance pay ($) | Minimum bonus ($) | Maximum bonus ($) | Average bonus ($) |
| EL2 (and equivalent) | 60 | 513,730.28  | 1,666.99 | 13,374.70 | 8,562.17 |
| SES Band 1 | 14 | 178,864.49  | 6,614.10 | 17,262.80 | 12,776.03 |
| SES Band 2 | 4 | 79,239.94 | 17,132.96 | 21,416.20 | 19,809.99 |
| **Total** | **78** | **771,834.71** |  |

Note: Of the 82 eligible EL2 (and equivalent) level staff, 60 were paid a bonus.

### Enterprise agreement negotiations

The ACMA Agreement sets out the terms and conditions of employment for employees below the SES level. That agreement nominally expired in June 2014, but continues in force until such time as it is replaced by a new ACMA Agreement. Bargaining for a new ACMA Agreement is underway.

### Workplace diversity plan

The ACMA is committed to providing a supportive and respectful work environment that recognises, values and accommodates the diversity of its employees and is representative of the Australian community it serves.

The *ACMA Workplace Diversity Plan 2014–18* aims topromote awareness of workplace diversity principles, enable these principles to be reflected in everyday management and workplace practices, develop a supportive workplace culture, and provide a discrimination- and harassment-free workplace.

The ACMA recognises and values individual differences and aims 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 2015, the ACMA’s employee profile was:

* total employees—470
* number of women—252
* number of staff from a non-English-speaking background—98
* number of staff with a disability—3
* number of Indigenous staff—2 (both ongoing employees).

### 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](http://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](http://www.dss.gov.au).

### Agency multicultural plan

The *Agency Multicultural Plan* *2013–15* identifies a range of actions to help the ACMA make communications and media work for all Australians by:

* delivering on its mandated outcomes
* discharging its statutory obligations
* transforming itself into a resilient, learning organisation that is responsive to the numerous pressures for change.

In 2014–15, the ACMA addressed each of the six core dimensions of the Multicultural Access and Equity Policy for leadership, engagements, performance, capability, responsiveness and openness.

Further information on the agency multicultural plan is on the ACMA website.

### Ethical standards

During the reporting period, the ACMA continued to promote the importance of ethical standards through its Management Instructions (MIs), People Management Instructions (PMIs) and training programs. In particular, the ACMA promotes ethical standards and makes staff aware of their obligations through its MI on gifts, benefits and hospitality, and its PMIs on Public Interests Disclosure, and Identifying and Managing Conflicts of Interest.

Staff continued to be advised and reminded of their individual obligations under the APS Values and Code of Conduct through an online induction training program, an online managers’ handbook and selection criteria for all ACMA position descriptions. 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 providing its workers with a healthy and safe working environment. During 2014–15, the ACMA continued to review and update policies and practices to reflect governing legislation and applicable codes of practice, and to make this information more accessible to its workers.

The ACMA actively supports the safe and timely return to work of injured or ill employees, whether or not the injury or illness is work-related. This includes implementing early intervention strategies and engaging rehabilitation providers to facilitate the return-to-work process.

In September 2014, after full consultation across the organisation, a new instruction was implemented covering *Rehabilitation: managing workplace injury and illness*. This instruction articulates the ACMA’s commitment to preventing illness/injury by providing and maintaining a safe working environment, fostering a supportive workplace that encourages early reporting of illness/injuries, and offering workplace rehabilitation.

A Health and Safety Representative Forum and Harassment Contact Officer Network continue to operate within the ACMA and provide effective avenues to consult and consider new ideas about work health and safety. A number of EL2 employees are Work Health and Safety Champions, and actively promote health and wellbeing initiatives. The National Work Health and Safety Committee met on four occasions during the reporting period.

Regular workplace inspections were undertaken in all ACMA workplaces to identify hazards and potential hazards, and to review current hazard control measures. These inspections were undertaken by Health and Safety Representatives, and Work Health and Safety Champions.

The ACMA commenced a Mental Health Awareness Program in May 2015. This included presentations to senior managers and all staff, development of a mental health strategy for the agency and a review of mental health policy and guidance.

Health and safety information is provided to all new employees through the ACMA’s induction program. In addition, the ACMA provided the following initiatives during the reporting period:

* Health Week—focused on ergonomics and mental health, incorporating seminars, health assessments and work-based activities
* flu vaccinations
* assistance with costs of eye-testing and buying glasses for screen-based use
* Employee Assistance Program
* e-learning health and safety modules as induction tools and ongoing resources
* a monthly newsletter.
1. Health and wellbeing initiatives, 2014–15

|  |  |
| --- | --- |
| Initiative | Utilisation rate (%) |
| Influenza vaccination  | 40 |
| Health check | 27 |
| Employee assistance  | 7.67 |

The ACMA strongly encourages the reporting of workplace incidents and identified workplace hazards. During the reporting period, there were 60 incident reports submitted by employees, which was an increase on the previous reporting period.

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*.

### Consultation and workplace relations

Staff consultative bodies are established under the ACMA Agreement.

The National Consultative Forum deals primarily with the key strategic and change issues that affect the ACMA. Convened by the ACMA Deputy Chairman, it comprises management, union and employee representatives. The National Consultation Forum met twice in the reporting period to discuss a number of important issues, including strategic and workforce planning, accommodation changes and the ACMA organisational restructure.

Local consultative forums, comprising management, union and employee representatives, and chaired by a senior manager, are established in each of the three principal offices—Canberra, Melbourne and Sydney—as well as for the agency’s Operations function. During the reporting period, two of the forums met at least once, with the frequency of meetings determined by the number of issues being considered. Local consultative forums can refer matters with organisation-wide implications to the National Consultative Forum.

Approaches used to involve employees in decision-making and information-sharing include all-staff meetings, planning sessions, branch and section meetings, focus groups and the use of the ACMA intranet to disseminate information.

The ACMA participates in the Australian Public Service Commission’s (APSC) State of the Service employee census, which enables the ACMA to collect employee feedback to help develop strategies to address specific workforce issues. About 70 per cent of ACMA staff participated in the 2014 census.

### People and capability development

The ACMA is committed to maintaining access to the capabilities it needs to deliver on its outcomes. It does this by:

* identifying its critical people and agency capabilities
* developing individual staff
* making sure that individual and agency skills and knowledge transfer is understood and supported, along with individual staff professional and career development interests.

This commitment is further supported through the goals and strategies outlined in the agency’s workforce plan.

The ACMA’s net expenditure in 2014–15 for employee learning and development was $371,803. This figure includes staff attendance at general training, conferences and seminars, and studies assistance. Staff attended a range of learning and development activities, from public service writing courses to industry-related conferences.

During the year, 22 employees were supported under the ACMA’s Studies Assistance Guidelines. Employees undertook tertiary qualifications in specialised fields such as law, business, social work and information technology.

### Performance management

The ACMA’s performance management framework is designed to help it achieve organisational outcomes and outputs by managing employee performance, supporting employees in the workplace, and maintaining healthy and sustainable work practices. The framework specifically benefits employees by clarifying expectations, enabling improved individual work performance, increasing skills and knowledge, and enhancing career opportunities.

Individual performance and development plans identify the key targets and performance expectations needed to achieve the objectives of both area business plans and the ACMA corporate plan. Time frames within the framework align with the ACMA’s annual planning cycle and allow for effective communication and formal feedback at regular intervals.

### Client Service Charter

The Client Service Charter outlines the ACMA’s goals and the broad range of services it provides. The charter provides advice on how clients can contact the ACMA, service standards and complaints procedures. It also reflects the ACMA’s commitment to providing efficient, effective and relevant services delivered in an environment of mutual respect. See Table 34 for a summary of client service complaints and compliments during the reporting period.

1. Summary of client service complaints and compliments, 2014–15

|  |  |  |
| --- | --- | --- |
| Description | Total no. of complaints\* | Total no. of compliments |
| Courtesy and respect | 0 | 0 |
| Service delivery of individual staff members | 8 | 38 |
| Response time to complaint | 4 | 0 |
| Accessible information | 5 | 1 |

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

The ACMA is undertaking a review of its Client Service Charter, with this work scheduled to be completed in the next reporting period.

## Information management

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

* **Project HELM (Holistic Engineering and License Management)**—further work was completed in business systems integration, including the imminent migration of apparatus licences into the SPECTRA spectrum licensing component of HELM later in 2015. This will introduce additional external online forms and machine-to-machine interfaces to allow licensees to engage online with the ACMA when lodging information.
* **ACMA-wide Customer Relationship Management (CRM) system**—additional work was undertaken to enhance the CRM platform and communications technology for the Customer Service Centre.
* **Review of cloud computing for non-unique ICT services**—in line with the recommendations set out in the Australian Government Cloud Computing Policy v3.0, this included:
* re-evaluating the ICT Strategic Direction to enable a mixed-solution model incorporating cloud-based services provisioning
* establishing processes to ensure that cloud computing is evaluated as a delivery platform in new project business cases
* identifying existing applications that lend themselves to being transitioned to a cloud provider
* updating the ACMA’s Business Continuity and Disaster Recovery Plans so they align with the opportunities available from cloud computing.
* **Office of the Children’s eSafety Commissioner**—establishing an online presence for this new agency included extensive work to:
* develop online services that allow for easy access to information
* manage a complaints system for addressing harmful material targeting Australian children on social media.
* **HFDF Network/Project Nullarbor**—in conjunction with the Department of Defence and the Defence Materiel Organisation, work commenced on a project to allow the ACMA access to the Defence High Frequency Communications System.
* **ICT service delivery review**—achievements included the ongoing development of infrastructure and architecture to improve the cost, reliability and agility of ACMA systems. For example:
* a new, more comprehensive IT monitoring and alerting system for fault identification and resolution, including interoperability with the building management system’s monitoring environment
* incorporating the ACMA’s many remote monitoring sites into the agency’s core network, including taking advantage of nbn network connections, where available.

## Communications and engagement

### Customer Service Centre

The Customer Service Centre (CSC) provides a single point of contact (centralised customer contact model) for ACMA customers, and its staff have an online library of resources to respond to queries and meet customer needs. The CSC handles an average of 3,089 interactions each month. Of these, an average of 96 per cent are resolved within three working days.

During 2014–15, the CSC began expanding its operations to provide services to customers on behalf of the Content, Consumer and Citizen Division. When the expansion is complete, the CSC will handle customer enquiries about network safeguards, consumer interests, broadcasting and spam.

### External stakeholder engagement

To help industry and consumers engage positively, confidently and securely in the developing information economy and evolving connected society, the ACMA employs a range of communications and engagement activities relevant to stakeholder needs.

The ACMA’s approach to media and communications continues to evolve as the agency embraces the opportunities afforded by changing technologies and more creative approaches to stakeholder management.

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

* **The ACMA website**—significant usability and accessibility work was done to improve the user experience, along with the creation of several consumer information ‘hubs’ on current hot topics and regular dedicated blogs on timely issues.
* **Rich media content including infographics and videos**—rich media continued to be an effective way to expand the reach of ACMA research and consumer information. Dozens of infographics were published, on topics ranging from SMEs and new technologies to the take‑up and use of tablets. A Triple Zero infographic was particularly successful and was seen by more than 376,000 unique Facebook users. Videos highlighting research, the AISI portal and other consumer topics also proved popular.
* **Social media**—continued to play a crucial role in engaging industry and consumer stakeholders. In particular, the ACMA’s Facebook and Twitter communities drove traffic to the ACMA website, growing their online communities without the help of advertising. Triple Zero, scam, spam and Do Not Call Register alerts were a highlight on the ACMA’s social media channels, with each post reaching over 300,000 Facebook users.
* **Targeted e-bulletins and alerts**—the ACMA’s email outreach portfolio continued to grow, with total subscribers exceeding 15,000. Adding to the existing suite of 13 tailored products, new digital offerings included the *research****acma*** *alert* and *Cybersecurity news*.
* **Media engagement**—mainstream media continued to be an essential information dissemination channel for the ACMA, with 82 media releases on high-profile issues published and regular journalist briefings held.

**Events and tune-ups**—direct engagement with industry was a regular initiative. As well as our annual flagship event, *RadComms*, the ACMA hosted the regional CCEMO forum, the Asia–Pacific Regulators’ Roundtable and several industry tune‑ups on areas including the 400 MHz transition and Project HELM.

### International agenda and engagement

The ACMA’s overriding purpose is to make communications and media work in the public interest, and its international engagement is central to achieving this. The role of international engagement in both protecting and promoting Australia’s communications and media interests is reflected in the legislation the ACMA administers—particularly for spectrum management, telecommunications and radiocommunications standards-setting, unsolicited communications and cybersecurity, and online content.

The ACMA advances its international agenda through facilitating collaboration, coordinating various viewpoints and representing Australia’s positions in international fora.

On 21–22 July 2014, the ACMA hosted the Asia–Pacific Regulators’ Roundtable in Sydney, with 55 participants representing 24 countries. This was an opportunity for strategic discussions on emerging regulatory issues and challenges faced in the rapidly evolving and converging ICT sector.

Following the roundtable was a three-day ITU/ACMA International Training Program. Attended by 56 participants from 26 countries, the ITP 2014 focused on building skills to address the policy and regulatory issues of telecommunications, information technology and broadcasting in the era beyond convergence.

The ACMA also hosted a number of visitors from overseas communications and regulatory agencies. These visits facilitate collaboration and information exchange on international communications policy and regulation issues. This included delegations from the People’s Republic of China, Bhutan, Indonesia, Japan, the Republic of Korea, Kenya, Singapore, Thailand and the USA.

## Financial management

The ACMA continues to enhance its financial management. During 2014–15, further adjustments to reporting frameworks improved access to, and provision of, quality financial information for internal and external stakeholders. The ACMA continues to review key areas within the financial management remit so that all ACMA processes align with legislative changes and best practice.

The ACMA met all of its statutory budgeting and reporting requirements and deadlines as set down by the Department of Finance and the ANAO.

Key achievements during the year included:

* further enhancing the forward-year budget allocation process

improving accessibility to the Financial Management Information System.

The ACMA achieved an operating surplus in 2014–15 as a result of supplier and employment cost savings, and other revenue increases.

The ACMA’s financial statements for 2014–15 were prepared in accordance with section 42 of the PGPA Act. The ANAO issued an unmodified audit opinion on the statements and notes (see Appendix 19).

### Procurement and contract management

During 2014–15, the ACMA continued to strengthen its procurement and contract management capabilities, putting appropriate controls in place to comply with the PGPA Act and the *Commonwealth Procurement Rules*. The ACMA used a range of template documents to procure goods and services that, in alignment with internal policies, means it obtained value-for-money procurement.

The ACMA implemented a contracts module in the financial management information system to better facilitate an automated procurement process.

Procurement initiatives to support small business

The ACMA 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 at [www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts](http://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/).

The ACMA recognises 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 [www.treasury.gov.au](http://www.treasury.gov.au/PublicationsAndMedia/Publications/2014/sml-bus-performance-report).

The ACMA’s 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 does not administer any grant programs.

### 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 purchased from third-party vendors. Assets are valued at fair value with their carrying values and useful lives being reviewed annually.

At the end of 2014–15, the ACMA had a total value of $55.92 million in net assets. During the year, the capital management plan was further developed to help the ACMA with its capital planning requirements.

## Property management

The ACMA 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. The ACMA continues to review its office accommodation in accordance with the *Commonwealth Property Management Guidelines* and operational requirements.

### Ecologically sustainable development and environmental performance

The ACMA has an ongoing commitment to reduce the organisation’s impact on the environment via various measures, including procuring green power and reducing energy consumption through energy-efficient office fit-outs. Further measures include, but are not limited to:

* extensively using videoconferencing facilities to reduce air travel
* implementing forced ‘out-of-hours’ computer terminal shutdown
* using environmentally friendly cleaning products
* separating office waste into recyclable and non-recyclable components.
1. ZOAK will deliver allocation and administration services as a delegate of the ACMA for all number types specified in the Numbering Plan, except for international signalling point codes, mobile network codes and some special types of numbers (such as emergency service numbers). [↑](#footnote-ref-1)
2. The ACMA is required under paragraph 57(d) of the *ACMA Act 2005* to include in its annual report information on complaints and investigations under Part 26 of the *Telecommunications Act 1997*. The number and type of investigations conducted into *Telecommunications (Consumer Protection and Service Standards) Act 1999,* *Telecommunications Act* 1997 and telecommunications code compliance 2014–15 are provided in this section. [↑](#footnote-ref-2)
3. The ACMA is required under paragraph 57(e) of the *ACMA Act 2005* to include in its annual report a report on the operation of Part 6 of the *Telecommunications Act 1997*. In 2014-15, the MPS Code was the only code to be reviewed and amended under Part 6. [↑](#footnote-ref-3)
4. The ACMA is required under paragraph 57(d) of the *ACMA Act 2005* to include in its annual report information on complaints and investigations under Part 26 of the *Telecommunications Act 1997*. The number and type of investigations conducted into unsolicited communications compliance during 2014–15 are provided in this section. [↑](#footnote-ref-4)
5. Commercial radio broadcasting services licensed for racing services, in remote licence areas or under section 40 of the BSA are exempt from the local content obligation. [↑](#footnote-ref-5)
6. Subject to certain exceptions, a ‘trigger event’ 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. [↑](#footnote-ref-6)
7. Commercial radio broadcasting services licensed for racing services, in remote licence areas or under section 40 of the BSA are exempt from the minimum service standards and local presence obligations that apply following a trigger event. [↑](#footnote-ref-7)
8. Breaches resulting from unforeseen technical difficulties were disregarded as provided by the captioning legislation. [↑](#footnote-ref-8)
9. In accordance with the code of practice registered under the IGA. [↑](#footnote-ref-9)
10. Under section 20(3)(a) of the IGA, the ACMA must not investigate a complaint about Australian-hosted content. However, it may, if it considers it warranted, refer the complaint to an Australian police force. [↑](#footnote-ref-10)