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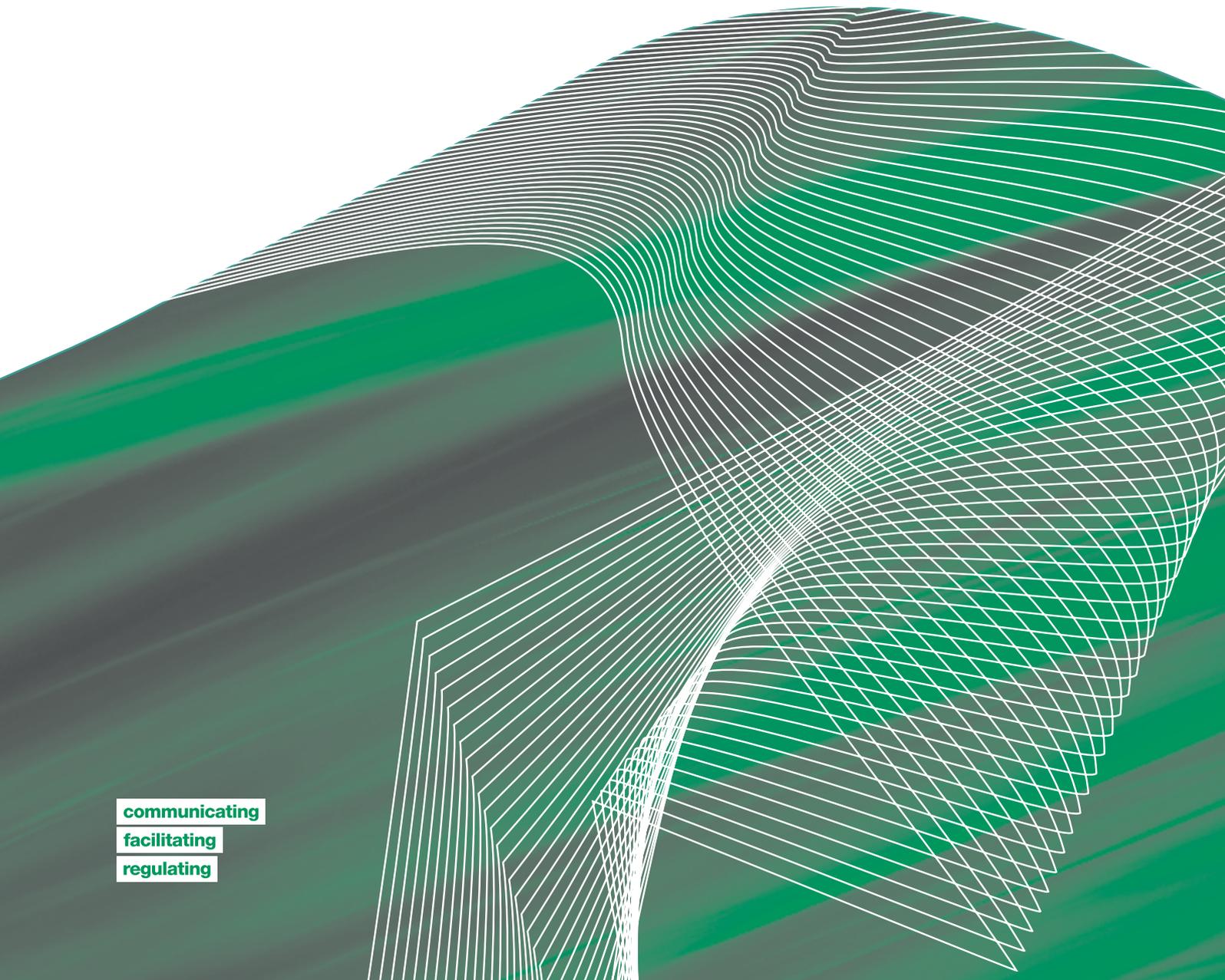Australian
Communications
and Media Authority

researchacma
Evidence
that informs

ACMA research program
2017–18 update

JULY 2017

communicating
facilitating
regulating

Contents

ACMA research program

Purpose

The Australian Communications and Media Authority (the ACMA) has statutory obligations to report to, and advise the Minister for Communications and the Arts, as well as to inform industry and the public in relation to telecommunications, radiocommunications, broadcasting and internet services. This program has been developed to support meeting our statutory obligations and to assist us in making regulatory decisions informed by evidence.

This document provides the strategic context for our research activities. Updates to the program will occur as our research requirements evolve in accordance with changing external and organisational priorities.

Legislative basis for the our research

This research focus assists us to fulfil the regulatory functions outlined in the *Australian Communications and Media Authority Act 2005* (the ACMA Act) and legislation related to our telecommunications, radiocommunications and broadcasting and internet functions. This requires us to:

> report to and advise the minister in relation to the telecommunications industry and on matters affecting consumers or proposed consumers of carriage services (paragraphs 8(1) (c) and (d) of the ACMA Act)

> make available to the public information about matters relating to the telecommunications industry (paragraph 8(1)(g) of the ACMA Act)

> monitor and report to the minister each year on significant matters relating to the performance of telecommunications carriers and carriage service providers (section 105 of the *Telecommunications Act 1997*)[1]

> report to and advise the minister in relation to the radiocommunications community (paragraph 9(c) of the ACMA Act)

> make available to the public information about matters relating to the radiocommunications community (paragraph 9(e) of the ACMA Act)

> conduct or commission research into community attitudes on issues relating to programs and datacasting content (paragraph 10(1)(h) of the ACMA Act)

> inform itself and advise the minister on technological advances and service trends in the broadcasting industry, internet industry and datacasting industry (paragraph 10(1)(n) of the ACMA Act)

> report to, and advise, the minister in relation to the broadcasting industry, internet industry and datacasting industry (paragraph 10(1)(q) of the ACMA Act)

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[1] Proposed amendments to legislation were introduced into Parliament on 29 March 2017, including changes to the requirement for the ACMA to monitor and report on a range of matters specified in section 105 of the *Telecommunications Act 1997*. The amendments propose removal of a majority of the reporting requirements under section 105, with the exception of the requirement for the ACMA to monitor and report on the operation of Part 14 of the Telecommunications Act, and on the costs of compliance with the requirements of Part 5-1A of the *Telecommunications (Interception and Access) Act 1979* (the TIA). The proposed amendments also included a change in reporting requirements, with the ACMA to publish the section 105 report on the ACMA website, instead of reporting to the Minister and tabling in Parliament. At the time of preparation of the research program, the amendments were still under consideration in Parliament.

> periodically review the operation of program standards and codes of practice to assess whether the standards and codes are in accordance with community standards (subsection 123(1) of the *Broadcasting Services Act 1992)*
> conduct and/or commission research into issues relating to unsolicited commercial electronic messages and address-harvesting software (paragraph 42(b) of the *Spam Act 2003*)
> conduct and/or commission research into issues relating to unsolicited telemarketing calls and unsolicited marketing faxes (paragraph 41(b) of the *Do Not Call Register Act 2006*).

Strategic context for research

Australia's transition to a globally-connected, internet-enabled communications economy and society will be driven by a massive increase in the number of network connections and connected devices, along with the services, applications and digital content generated over those connections.

The structure of the research program is also informed by the ACMA Review final report, which recommended a realignment of the ACMA's remit to span four broad interconnected layers of the communications sector, specifically:

> **applications/content layer**—this includes the content delivered on subscription and free-to-air digital television or delivered over applications such as iView and Netflix. This layer also includes software applications or platforms that support additional functionality, including the ability to make voice and video calls. Increasingly, services such as voice can be seen as applications in all Internet Protocol networks.
> **devices layer**—devices, including televisions, radios, mobile phones and tablets, are an essential means to access communications networks.
> **transport layer**—this layer provides the intelligence needed to support applications and functionality over the network. Technical standards also enable interoperability and any-to-any connectivity between different networks.
> **infrastructure layer**—this includes the passive infrastructure and electromagnetic mediums that support the transmission of raw bit streams over a physical medium.

To better reflect the ACMA's realigned remit, our research and data tracking projects have been organised according to these four layers:

> **infrastructure, transport and device layers**—contains projects focused on communications market developments including spectrum management and reform.
> **applications/content layer**—contains projects focused on social and economic participation, media content and culture, and citizen and consumer safeguards.

Research focus areas inform individual projects. These focus areas are derived from the objects of communications and media regulatory policy set out in legislation that were outlined in the ACMA's *Enduring concepts* analysis. The regulatory policy objects provide the basis for considering regulatory and non-regulatory interventions and guide our strategic purpose 'to make media and communications work in Australia's public interest'. These cover:

> market developments
> social and economic participation
> media content and culture
> citizen and consumer safeguards.

Given the deeply interconnected nature of these layers, research projects will necessarily span across different layers. Underpinning these four layers is a focus on regulatory best practice, concerned with fulfilling our functions as an effective and efficient regulator, where research may contribute to:

> advice to government about the operation and costs of regulation

> regulatory and program design, including the development of non-regulatory solutions to emerging issues in communications and media

> analysis of whether to regulate, influence through communication and facilitation, or initiate discussion about regulatory reform to accommodate innovation occurring in the sector.

The ACMA Review final report also recommended that our regulatory research program focus on supporting the effectiveness of regulatory functions and harms that are affecting businesses and consumers. Individual research projects explore different aspects of regulatory effectiveness and the emerging risks and harms arising for citizens and businesses in the changing communications and media environment.

Areas of research to be explored under this program will support our contributions to various policy and regulatory reviews underway, including the Content Review and planned review of consumer safeguards. A strong project focus for this year will be research that support's the ACMA implementation of the Spectrum Review reforms, which amongst other things, encourages more market-based activity in spectrum management.

Data sources

In addition to specific research projects, we use data drawn from primary and secondary sources to informs our work, including:

> an annual ACMA-commissioned consumer survey

> other ACMA-commissioned research to provide evidence to support our regulatory and other legislated functions, as noted in the ACMA Research Program

> statutory media and communications industry-performance reporting information

> publicly available qualitative and quantitative data on the communications and media sector.

Table 1 provides a summary of the type of data collected for each research focus area.

Table 1:   Overview of the ACMA's data sources and datasets

Network layers	ACMA research focus areas				
	Market developments and spectrum reform	**Media content and culture**	**Social and economic participation**	**Consumer and citizen safeguards**	**Regulatory best practice and regulatory development**
Infrastructure/transport	Network coverage Spectrum allocation New networks/ technologies	Supply of content through broadcast and online networks	Network connections	Consumer complaints relevant to network coverage and connections (including complaints to the TIO) Network performance	International regulatory developments and Australian examples of better practice regulation relevant to the four enabling layers of contemporary communications
Devices	New devices Networked devices by type Voice and data traffic patterns	Audience behaviour by device	Device connections	Consumer understanding of privacy and security concerns Spam-related complaints	
Content, services and apps	Size of communications and content services Emerging services Changing market structures	Emerging media services Usage of media services Monitoring online content	e-security information	Complaints to the DNCR Complaints to the TIO (services complaints)	

Planned research projects

Infrastructure, transport and devices layer

Focus area 1—Market developments and spectrum reform

This focus area looks at conditions in contemporary communications and media. It has an emphasis on market developments, regulatory policy settings, the interventions needed to support efficient use of public resources (such as spectrum and telephone numbers), and the quality of service experienced by Australia's digital citizens. It continues our priority work to support spectrum initiatives, in particular the implementation of spectrum reforms.

Strategic questions explored through individual research projects include:

1. How can regulatory decision-making support market-based approaches to spectrum management?
2. What are the key approaches to the valuation and pricing of spectrum?
3. What are the consequences of changes in market structures and business models for planning and resource allocation and regulatory settings?
4. How do different groups of consumers use communications and consume content, and what impact is this having on the effectiveness of existing regulatory interventions?

Table 2:   Focus area 1—Planned projects

2017–18 research projects	Why the ACMA is doing this work
Market-based approaches to spectrum management	As we implement the Spectrum Review findings, we will be seeking information and evidence about: > best practice and innovation in the use of spectrum management mechanisms worldwide, including greater user involvement, creating new markets for third-party service provision and licensing innovations > spectrum management mechanisms that are appropriate for implementation within the Australian communications environment.
Reform of pricing and licensing arrangements associated with the spectrum and pricing reviews	1. We will undertake research to inform the implementation of the single licensing framework—a key recommendation of the Spectrum Review. Approaches to licence duration, the method of allocation, pricing, and spectrum refarming are inextricably linked. The research will develop a coherent framework to guide this decision making. 2. The draft Radiocommunications Bill also provides greater flexibility in the management of spectrum, in areas like authorising third parties to exercise the ACMA's licensing powers. We will undertake research on how international regulators manage spectrum and the benefits of different approaches, to inform how the ACMA should utilise these new flexibilities.

2017–18 research projects	Why the ACMA is doing this work
	3. The consultation paper of the Department's spectrum pricing review has proposed that the ACMA publish guidelines on how it approaches its spectrum pricing decisions. The consultation paper also proposes that we undertake a detailed review of the administrative pricing formula's parameters. These will be major work streams in 2017–18.
Comparative analysis of recent developments in spectrum allocation formats	Our *Five-year spectrum outlook 2016–20* has identified a number of bands for possible future allocation, including the 850 MHz, 900 MHz, 1.5 GHz and 3.6 GHz bands. To support these possible future allocations, we will be examining developments in best practice auction methods.
Determining highest value use of spectrum	One of the objects of the Radiocommunications Act is to maximise the overall public benefit derived from using the radiofrequency spectrum. The ACMA has made the *Australian Radiofrequency Spectrum Plan 2017,* which divides the Australian radiofrequency spectrum into a number of frequency bands and specifies the general purposes for which the bands may be used. The contents of the Plan bind us in making decisions on use of the spectrum.

In determining the use of spectrum in Australia under the Plan, we need to estimate the highest value use for spectrum bands. Given the rapid growth in mobile data downloads, a key focus has been whether particular spectrum bands should be redesignated from their current use to mobile broadband.

Our *Mobile broadband strategy* has identified a number of candidate bands for inquiry. It is expected that in 2017–18, we will finalise determinations of the highest value use for the 3.6 and 1.5 GHz bands. This research has previously been identified in the ACMA's *Five-year spectrum outlook 2016–20*. |

Applications/content and devices layers

Focus area 2—Media content and culture

In this focus area, research is directed to addressing our legislative obligations to reflect community standards in the delivery of media and communications services, and assess the degree of influence that different services exert in shaping community views. Research work this year focuses on understanding the evolving supply and consumption of content in Australia.

Strategic questions explored in research include:

1. What content services are consumers using?
2. What are emerging content business models and how are they changing the media sector?
3. What impact are these market and behavioural changes having on the effectiveness of existing regulatory interventions?

Table 3:   Focus area 2—Planned projects

2017–18 research projects	Why the ACMA is doing this work
Innovative approaches to media measurement	This research is being undertaken to keep abreast of developments in media measurement methodologies. It will support regulation by investigating new ways of monitoring content online.
Communications report 2016–17	This report presents the latest intelligence, trend data and ACMA commentary on issues relating to the communications and media market in Australia. It addresses a number of legislative obligations, including our role under the ACMA Act to report on the telecommunications industry and consumers of carriage services, service and industry trends in the broadcasting and internet industries and content services.
Local content in regional Australia	This research finalises our analysis of audiences for regional news services in 2016 and 2017, and reports on the findings from qualitative research. It relates to our role in administering the various commercial broadcasting local content obligations, and will assist us to understand the reasons for differences between the findings of the 2013 and 2016 regional local content research.

2017–18 research projects	Why the ACMA is doing this work
Research snapshots: 1. *Kids and screens* 2. *Web nomads* 3. *Australians' use of mobile apps* 4. *Community attitudes and behaviour online*	In 2017–18, the snapshot series will explore the use of communications and content services. 1. This snapshot reports on quantitative research providing information about television, video and children's program viewing amongst children up to14 years of age. It complements our previous research, *Children's television viewing—Community research 2014*, which was conducted to help measure the ongoing importance of children's programs on television, including C and P programs provided by commercial broadcasters. 2. The *Web nomads* snapshot takes a look at Australia's internet users who do not have a fixed broadband service and are therefore reliant on mobile networks, hotspots or public internet services. It explores who web nomads are, the possible reasons for their connection choice and the impact that choice has on their online activities. 3. *Australians' use of mobile apps* will examine increasing use of apps and the drivers of consumer take-up. 4. This snapshot will examine the demographic differences in community attitudes and behaviour online. These snapshots assist in addressing the legislative obligation under the ACMA Act to report on the telecommunications industry and consumers of carriage services, service and industry trends in the broadcasting and internet industries and content services.

Applications/content and devices layers

Focus area 3—Social and economic participation

In this focus area, our research is directed to identifying regulatory settings and interventions to assist businesses and citizens, to participate in the contemporary communications environment.

Strategic questions explored in research include:

1. What are the barriers to productive engagement in the digital economy and effective measures to mitigate risks and reduce barriers to innovation and productivity?

2. How are Australians managing and mitigating risks of unsolicited electronic communications?

3. What is the impact of emerging forms of marketing practice?

Table 4:   Focus area 3—Planned projects

2017–18 research projects	Why the ACMA is doing this work
Effectiveness of unsolicited communications regulatory regimes	A comparative international study on best practice in contemporary unsolicited communications regulatory regimes (Galexia update) to understand international developments in unsolicited communications regulation.
	This will inform our compliance and enforcement activity under various unsolicited communications legislation, and assist in forming a view on what constitutes regulatory success. It will also contribute to our implementation of the ACMA Review Recommendation 6 to examine opportunities for greater industry self-regulation in spam and do not call activities.
The emergence of data-driven consent-based marketing	A study of consumer satisfaction with the current unsolicited communications safeguards, and consumer experience with and awareness of consent provisions.
	This will assist us to identify spam and telemarketing practices that require ongoing regulatory attention.

Applications/content and devices layers

Focus area 4—Consumer and citizen safeguards

Research projects continue our focus on safeguards relevant to business, citizens and consumers in an information economy and networked society. They continue our evidence-informed approach to Australians' experience in managing unsolicited communications and the effectiveness of content and telecommunications safeguards. They also consider protections for personal information in contemporary communications.

Strategic questions explored in research include:

1. What are the attributes of safeguards that are common across platforms and where is change occurring?
2. What are the costs and benefits of safeguards?

Table 5: Focus area 4—Planned projects

2017–18 research projects	Why the ACMA is doing this work
Interactive gambling	A number of desktop research studies were commissioned to inform our proposed new enforcement responsibilities that will come into effect after the amendments to the Interactive Gambling Act (IGA) are passed: > market study of offshore interactive gambling services accessible to Australian consumers, as well as a follow up study that implemented some of the methodology proposed in the original study > a comparative study of international gambling licensing regimes that support the provision of interactive gambling to residents of Australia > secondary analysis of the survey of interactive gamblers completed by Hing et al. (2014)—*ongoing* > internet tracking for offshore gambling sites—*ongoing*
Consumer use of digital communications: the annual consumer survey	This quantitative research project provides an information base to support time-series tracking of patterns of consumer communications and media use for the communications report. This will inform regulatory development by providing an evidence base on consumer behaviour and attitudes towards media and communications services, and effectiveness of existing regulatory interventions. This survey assists in addressing the legislative obligation under the ACMA Act to report on the telecommunications industry and consumers of carriage services, service and industry trends in the broadcasting and internet industries and content services.
Triple Zero—consumer research	Research with consumers to ascertain awareness and understanding of the use of Triple Zero. As we regulate and monitor the provision of access to emergency call services, this research will assist in assessing the effectiveness of current regulatory arrangements and inform future regulatory actions.

2017–18 research projects	Why the ACMA is doing this work
Consumer safeguard expectations	Tracking study of consumer expectations on safeguards, including connections, fault rectification and complaints handling experience.
	Our role in regulating aspects of telecommunications service provision in Australia includes ensuring compliance with legislation, regulations, and industry codes. This research will assist in understanding the impact of NBN migration issues on consumer safeguards, including where regulation needs updating, and will also inform the our Telecommunications Consumer Protection Code review processes.

Regulatory best practice and regulatory development

We administer existing legislation and work with industry and the community to solve new concerns arising in the evolving communications and content environment.

In this area of work, we continue our analysis of the effectiveness, costs and benefits of current regulation as it relates to each of the enabling layers of the communications environment. It includes identification of emerging issues and problems that may require regulatory or non-regulatory solutions, and where regulation may be adapted to address contemporary communications and media issues.

Key questions explored in research:

1. What are the costs and benefits of specific regulatory and non-regulatory interventions?
2. What are the best practice design solutions for communications and media regulatory settings?

Table 6: Planned projects

2017–18 research projects	Why the ACMA is doing this work
Stakeholder surveys	This research includes the annual ACMA Customer Service Centre consumer survey and the ACMA Stakeholder Survey.
	We survey our stakeholders as one mechanism to engage with them, and as part of our Commonwealth Regulator Performance reporting obligations.
Emerging issues in communications regulation	Technological innovation and social change are colliding to restructure the Australian communications environment. These collisions challenge the traditional focus and role of communications regulators. Examples include the phenomenon of 'cord cutting', software-defined networking and changing business models for creating and accessing content.
	As a follow-up to our *Australians get mobile* research from June 2015, this research considers the regulatory implications of the increasing use of mobile devices for voice, messaging and internet access by Australians.
Measuring regulator efficiency	International comparisons and benchmarking against key performance criteria with other regulators provides insight into options for future regulatory development, and establishes a common understanding of the costs of effective regulatory best practice.
	This research project will seek to identify key measures to enable us to analyse the efficiency of our regulatory activities, and highlight differences in types of regulatory architecture and design that may inform those activities. Using these key measures, the project will also identify a range of international regulators to benchmark against, to inform our ongoing regulatory development.

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