Chairman's foreword
Few things are more certain in the world of communications and media than change. In this environment, it has been necessary for the ACMA to transform, adapt and consistently reinvent itself over the last few years.

We have worked to develop into a flexible learning organisation that can sense change, and then act with flexibility and agility to meet the multiple challenges of the converged communications and media landscape. This year has been no different.

A lot happened in 2011–12, and it happened at a considerable pace. Our day job was no less demanding but we did spend time focusing on the longer term, taking time to identify themes and likely directions, particularly in the context of rapidly changing technology and services. We also tried to envisage the future and anticipate likely scenarios that will test our preparedness and resilience as a regulator.

**Convergence and regulatory pressures**

During the year, media and communications—including the possible future function and role of regulation in the sector—has been under intense scrutiny. This has included the Independent Media Inquiry, the Review of the National Classification Scheme by the Australian Law Reform Commission and the independent Convergence Review Committee, which examined the policy and regulatory frameworks that apply to converged media and communications in Australia.

Each of these reviews signalled that a new platform-neutral policy and regulatory framework is needed for communications and media in Australia. Importantly for the ACMA, each review made significant final or preliminary recommendations relevant to the role and functions of the media regulator. It will be interesting to see how the various reviews unfold and what they might mean for the ACMA.

In support of these reviews, the ACMA provided extensive evidence about changing community expectations of communications and media issues and regulatory practice. It did so through its research into and observations of international experience with converged communications and media regulation, and by drawing on insights from community attitudinal research. Since its formation, the ACMA has adopted a multi-dimensional approach to understand and respond to the impact of convergence and other developments in the policy environment, and on the effectiveness, efficiency and appropriateness of regulatory settings under the existing legislative framework.

It is quite possible that, while these and previous convergence developments remain essentially unresolved in our legislative and regulatory machinery, a third wave of change looms, reflecting developments such as cloud computing, virtualisation, machine-to-machine communication and semantic networks—this will call for ever more agile and adaptive modes of regulation.
In the meantime, the ACMA remains committed to inventing and then reinventing itself in pursuit of its aspiration of converged regulatory excellence in a diverse and complex media and communications landscape. As a tangible expression of this, in the first half of the reporting year we launched Meeting our standard as a mini-website. This presents a preliminary assessment of where the ACMA is up to in meeting its strategic purpose—which is to make communications and media work in Australia’s public interest.

It is an opportunity for the ACMA, as a learning organisation, to invite interested parties to join the conversation about our performance. Feedback and ongoing interaction with regulatory colleagues has demonstrated the benefits of sharing what we do, taking opportunities to learn from others and holding ourselves up for peer and stakeholder review.

We are working towards revising our status against the standard and will publish our updated position in October 2012, once again using an active mini-website.

**Telecommunications—Reconnecting the Customer**

In the world of telecommunications, we have done our day job well. The outcomes of the Reconnecting the Customer (RTC) public inquiry arguably represent very strong achievements.

Since I announced the RTC public inquiry in April 2010, the ACMA has been busy re-imagining what the Australian telecommunications landscape should look like so that it delivers on community expectations of appropriate safeguards.

As we rely more and more heavily on our smartphones for working, socialising, banking and sharing, our expectations of our telecommunications providers have only grown. We now need a proper framework to support this changing dynamic.

The RTC inquiry led to a groundbreaking report and forced industry to re-engage with key consumer issues.

Multiple iterations and months of intense negotiations followed, with the Authority and staff all focused on extracting a code of a world-class standard. The overarching philosophy was to protect consumers by facilitating good decision-making. The ACMA has worked tirelessly over the past two years to shape a consumer protections framework suitable for our anywhere, anyhow, anytime, always connected world.

So it was with great satisfaction that, after a rigorous process and by the end of the reporting year, we were close to registering the new Telecommunications Consumer Protections (TCP) Code, which requires improved disclosure in advertising and point-of-sale. This will be supported by better complaints-handling processes, improved customer service and, importantly, the introduction of spend management tools.

We used our leverage to give consumers some of their own, which should provide more equity in the provider–customer relationship. The telecommunications landscape has been considerably shifted towards the consumer.

The new TCP Code is to take effect from September 2012. We will be watching the extent to which industry lifts its game, and will be ready to act should the need arise.
**Spectrum and the digital dividend**

Our multifaceted spectrum work continues the renaissance we have achieved over the last few years, and our digital transition work, where we have stepped up confidently and asserted ourselves in a leadership role, showcases the ACMA at its best. Our review of the 400 MHz band, for example, is well advanced on the road to delivering harmonised spectrum for use by government agencies, and enhancing the interoperability of state and federal emergency services.

During the year, we collaborated with industry to make rapid progress in developing detailed channel plans to implement restack and clear the digital dividend spectrum for reallocation. We consulted widely as part of preparations for the consequent spectrum auction scheduled for April 2013 and, by year’s end, were close to finalising the auction arrangements.

It is worth mentioning here a related issue to do with emerging digital television technologies and standards such as 3D television. We published a paper early in 2012 to start the discussion about the future of the digital terrestrial platform, seeking industry and community comment on what action we might take to meet the challenge posed by ever-improving technical standards. This feedback will enable us to consider whether action in the near term could ease the introduction of new technical standards in the longer term. These standards may deliver increased spectrum efficiencies and new and innovative services for viewers over the next decade and beyond.

**The National Broadband Network (NBN)**

Our coordination role for the NBN implementation continued to emerge throughout the year. We will keep protecting consumers in the transition to the NBN, ensuring the continued provision and quality of basic voice services. For example, we consulted Communications Alliance (CA) and industry participants about revising the Local Number Portability Code so that customers’ porting needs are met when they move to the NBN. The ACMA also advised the Department of Communications, Broadband and the Digital Economy (DBCDE) on changes to pre-selection arrangements in the NBN environment, amended cabling regulatory arrangements to require cablers to be skilled in broadband cabling installation, and provided technical guidance and advice to the minister on level playing field arrangements under the NBN.

**Broadcasting and online investigations**

Under the *Broadcasting Services Act 1992* (BSA), we occasionally must deal with the offensive antics of some television or radio personalities or inaccurate commentary in some news or current affairs programs. We respond to these using the powers and framework available to us. Occasionally, the ACMA imposes additional licence conditions to achieve compliance, which are then reviewable in the Administrative Appeals Tribunal (AAT). In one matter recently reviewed by the AAT and dealing with a commercial radio station, the AAT reduced the range of the relevant licence condition. It nonetheless noted the ACMA approach was ‘… appropriate, measured and proportionate’. That is a welcome corroboration of the consistent and disciplined approach ACMA staff take in this often highly contested space. In any event, this particular complaint was one among the 2,273 written complaints and enquiries we received during the year about commercial, national and community broadcasters.

One of the ACMA’s many roles is to help maintain public trust in our media, especially our electronic media. Sadly, we do see the worst of the worst content as we respond to complaints about online child sexual abuse material in our endeavours to ensure law enforcement action and take-down of the content wherever it is hosted around the world.
**The IPND**

Another of our important responsibilities is our role with the Integrated Public Number Database (IPND)—a telecommunications industry-wide database of all listed and unlisted public numbers and their associated customer data. Because it is vital that law enforcement agencies and emergency services who regularly access the IPND receive accurate data, the input of high-quality information is a priority for the ACMA. In 2011–12, we worked with DBCDE on a review of the IPND, investigating whether carriage service providers (CSPs) are complying with their obligations to provide accurate customer data. It is pleasing that we found the majority of the CSPs that we investigated had complied and we had to formally warn only one for not complying.

**Numbering**

Numbering is not a topic that is on everyone’s lips but it is squarely on our agenda. And again, convergence is in the mix. Our numbering work this year looked at Australia’s telephone numbering arrangements to address how existing regulatory frameworks might accommodate convergence; in particular, the growing adoption of internet protocol-based services and continued growth in mobile services. We found that both longer term structural changes in the industry and changing consumer expectations are causing a misalignment with existing telephone numbering arrangements. Individual consumers and CSPs showed interest in a more flexible use of geographic numbers.

Consequently, we announced a set of short-term measures to increase flexibility, reduce red tape, remove redundant number ranges and plan for the future. In a detailed discussion paper we explained our vision for the evolution of telephone numbering, which is guided by regulatory design principles that are intended to increase the efficiency, flexibility, resilience and simplicity of the telephone numbering arrangements. This paper outlined 24 initiatives to increase the broad-based use of numbers, reduce the technical specificity of numbers, improve price transparency and improve clarity. By the end of the year we had received submissions and were in discussions with stakeholders about future numbering arrangements.

**Cybersafety**

It is my intuition that in a social environment dominated by networks, a key role for the regulator will be to act as an authoritative network participant and influencer—a logical extension of our cybersafety role that continued to grow during the year. Among the new resources that were added to our existing suite of cybersafety resources for young people during the year was a short film entitled *Tagged* that tackles the critical issues of cyberbullying, sexting and digital reputation.

I am pleased to say that *Tagged* won a number of awards and medals, including the New York Festivals International Television and Film Awards Silver World Medal for 2012.

It was equally pleasing that the first film produced by the National Relay Service (NRS), *Quiet Signs of Love*, won the award for Best Short Film (hearing directors category) at the First Rome Deaf Film Festival. This film is an innovative approach to raising awareness of the NRS—an Australian Government initiative facilitated by the ACMA—that enables people who are deaf or have a hearing or speech impairment to communicate by phone.

It’s clear that in the cybersafety area we have come from a standing start a few short years ago to achieving international peer recognition.

**TUSMA**

During the year, we were involved in a major structural change in the communications regulatory landscape, working closely with DBCDE to establish the Telecommunications Universal Service Management Agency (TUSMA), which comes into being on 1 July 2012. While TUSMA will take over management of the NRS contracts from the ACMA, the agency’s broad responsibilities include to contract the delivery of the universal service obligation (standard telephone services and payphones) and the continuing delivery of the emergency call service. We are committed to working closely with TUSMA and assisting the agency as its role develops.

The establishment of TUSMA and a number of other measures announced by the government are designed to achieve continuity of basic services to consumers throughout Australia, given the significant changes that will occur to the structure of the telecommunications industry from the NBN rollout.
Research and reporting

Our research work has continued to give us an unquestioned ‘x-factor’, creating a platform for intellectual leadership and a sound basis for advising the government. The research we undertake delivers the information that we need to help us make informed decisions as an evidence-based regulator and understand the implications of regulating the communications and media markets. The program also helps us to meet our statutory obligations.

In 2011–12, the program included a study into Australians’ expectations of media content in a converging communications environment, and research commissioned to support the review of the Privacy guidelines for broadcasters (published during the year). Further research examined best practice self- and co-regulation, international regulatory approaches, the transition to digital television, unsolicited communications and technological developments in next generation networks.

This year, the ACMA developed the leadership group to give it the skills to deal with the rapidly changing, challenging and sometimes uncertain environment. We also invested more in our outreach and engagement program using a variety of web and other communications tools to better interact with stakeholders and the broader public. Our aim is to be the leading Gov2.0 APS agency and a major revamp of our website—to be delivered in the next six months—will be a significant contribution to that goal.

Our strategic planning focus as an agency is to be forever ready to meet the demands of our dynamic environment. We aim to position the right people in the right place at the right time, and remain relevant and valuable to our various stakeholders.

Looking to the future, my optimistic disposition is that the ACMA will succeed in making media and communications work for all Australians. As we have done this year, we will continue to position the agency to deal with the regulatory challenges presented by a digitally connected Australia and our networked society, and address these challenges with ‘fit for purpose’ solutions and determinations.

Chris Chapman
Chairman