



COMMUNITY  
BROADCASTING  
ASSOCIATION OF  
AUSTRALIA

# Digital television regulation

Community Broadcasting Association of Australia (CBAA) submission in relation to the review of digital television regulation and consultation paper issued by the Department of Communications

**APRIL 2015**

# **Digital Television Regulation**

## **Consultation Paper**

Submission by the CBAA in relation to the review of digital television regulation and consultation paper issued by the Department of Communications

**April 2015**

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- 1 Australian video viewing hours, by device: how people watch video in 2014
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## 1. Introduction

- 1.1 The Community Broadcasting Association of Australia (CBAA) welcomes the opportunity to submit comments in relation to the consultation paper, Digital Television Regulation, circulated by the Department of Communications, January 2015.
- 1.2 The consultation paper outlines several policy principles to be considered when reforming the regulation of television services. It explores a number of key policy and implementation issues and outlines the Government's current thinking.
- 1.3 The consultation paper is not intended to be a comprehensive review of all media regulation; rather it focuses on matters such as the availability of services, the technical evolution of broadcasting, and the use of broadcasting spectrum.
- 1.4 The impetus for reform is in the first instance driven by the conversion to digital television but also reflects other external changes driving innovation in the industry.
- 1.5 The consultation paper identifies factors likely to affect how television services will need to develop into the future. These include:
  - (a) greater levels of connectivity where television receivers connected to the internet are driving new functionality such as catch-up and on-demand services;
  - (b) a drive for improved picture quality due to advances in transmission and compression technologies; and
  - (c) the development of new services and pricing structures where subscription television providers have begun to look for other opportunities to grow.
- 1.6 A full-switch-off of terrestrial digital television services is not likely in the short to medium term. The consultation paper cites UK research indicating continuation of free-to-air terrestrial television broadcast until at least 2030.
- 1.7 It seems likely that viewers will access free-to-air broadcast television services alongside subscription television and video and audio content over the internet at different times and for different purposes.
- 1.8 Accordingly, while free-to-air broadcast television services will remain an important part of the Australian media landscape, the Government considers it time to review the current broadcasting regulatory framework to ensure it is fit-for-purpose for the next wave of innovation in the media sector.
- 1.9 In September 2014 the Minister for Communications made a keynote address to an Australian Communications and Media Authority (ACMA) conference. In that address the Minister proposed a number of strategic principles for a future broadcasting spectrum framework, outlined in section 2.
- 1.10 The Minister indicated that the Government considers it important to continue to reserve spectrum for commercial and national television services.
- 1.11 The Minister also highlighted the specific case of community television broadcasting. The Minister announced that current spectrum allocation for community television broadcasting will be extended until 31 December 2015, and that the Government believes the best outcome for community television would be to use the Internet as its distribution platform in the future.
- 1.12 While the CBAA supports the use of the Internet as part of the means to make community broadcasting content available to the public, there are issues of content and structural regulation, access and cost to be considered. The Internet is not free-to-air broadcasting and access to content comes at a cost to viewers.
- 1.13 The CBAA supports improvements in spectrum efficiency and sees no reason or need to time cessation of community television broadcasting services from free-to-air broadcast platforms ahead of the timing for other primary broadcast services.
- 1.14 The CBAA has agency in this debate as the peak body for community broadcasting in Australia. The CBAA represents licensed community radio broadcasters. Nationally, over 443 community radio services provide significant public benefit: a diverse mix of cultural and specialist talks, educational, music, Indigenous, print handicapped, youth, seniors, religious and ethnic language and multi-cultural radio services.
- 1.15 Community television licensees are represented through the Australian Community Television Alliance (ACTA), and the CBAA continues to advocate the public policy and regulatory principles that underpin community broadcasting generally and makes comment accordingly.

## 2. Principles for reform

### Principles to align with public policy

- 2.1 In September 2014 the Minister proposed the development of a future broadcasting spectrum framework that would include the following strategic principles:
- (a) The Government considers it important to continue to reserve spectrum for commercial and national television services;
  - (b) The current restrictions on the number of commercial television licences that can be allocated for each licence area should be retained;
  - (c) Commercial and national broadcasters should be free to determine the most appropriate mix of services and formats for their audience. Regulation should not mandate that commercial and national broadcasters provide minimum numbers of non-primary multi-channels or minimum levels of high definition content;
  - (d) Commercial and national broadcasters should be increasingly permitted to use spectrum more flexibly and allow third party access to (their) spectrum. The type of services commercial and national broadcasters offer should not be constrained by regulation apart from retaining the restriction on subscription services; and
  - (e) Commercial and national broadcasters should deliver their services through spectrally efficient mechanisms.
- 2.2 In October 2014 the Government introduced the Broadcasting and Other Legislation Amendment (Deregulation) Bill 2014 to repeal and amend provisions in the Broadcast Services Act that are redundant now that switch-over from analogue to digital television is complete. This Bill is largely a tidy up. Principles to inform legislative change for the future framework of (television) broadcasting are now under consultation.

## 3. Continue to reserve spectrum - or capacity

### Capacity to be reserved for a primary mix of services

- 3.1 The CBAA agrees it is important to continue to reserve spectrum – or capacity within spectrum allocated for broadcasting – for commercial and national television services.
- 3.2 It is equally important to reserve spectrum – or capacity within spectrum allocated for broadcasting – for community television services.
- 3.3 The consultation paper is completely silent on community television. This is of concern, given the Government considers it time to review the current broadcasting regulatory framework to ensure it is fit-for-purpose for the next wave of innovation.
- 3.4 It is worth recalling that the Broadcast Services Act has as one of its primary objects “to ensure the maintenance and, where possible, the development of diversity, including, public, community and indigenous broadcasting, in the Australian broadcasting system in the transition to digital broadcasting”. This object remains highly relevant.
- 3.5 There needs to be an alignment with this legislated public policy position to maintain and develop community broadcasting in the transition to digital broadcasting and the CBAA seeks Government resolve to find a broadcast solution for community television.
- 3.6 It is not sufficient to say the future lies with the Internet. That might well be true in the long term for all broadcasters, and, if so, ought to require Government to legislate for primary broadcast services to be available on the Internet on an un-metered basis.
- 3.7 Primary broadcast services should be available to the public free – or at least without material cost barriers. This is fundamental to democratic discourse, diversity and the principles of social inclusion.
- 3.8 The digitisation of media should not result in a reduction in diversity of services.
- 3.9 Ordinary Australians should not face material cost barriers to receive a mix of primary services. Subscription and/or monthly data fees should only be required if viewers wish to access premium or other services, not for primary broadcast services.
- 3.10 The here and now enables a no-cost-to-receive aka free-to-air solution for at least the mix of primary television services. Community television services should be part of that mix of primary services.

## 4. Mix of primary services

### Primary mix of services to include one community television service

- 4.1 A commercial television broadcasting licence authorises the licensee to provide one or more standard definition (SD) services and one or more high definition (HD) services within the spectrum allocation of a single 7MHz RF channel.
- 4.2 The one-to-one relationship of the RF channel to the licence is grounded in analogue transmission, when a spectrum allocation of a full 7MHz RF channel was required to deliver just the one television service.
- 4.3 This is no longer the situation with digital transmission. Multiple services can be provided with the one licensed RF channel.
- 4.4 Using existing digital television compression and transmission technology each existing RF channel can typically accommodate 5 SD services, or 1 SD and 2 HD services, or various combinations in between.
- 4.5 New technologies further improve on this efficiency. Typical configurations of services possible within a single RF channel are tabulated below, and illustrated in Attachment 2.
- |     |                           |  |
|-----|---------------------------|--|
| (a) | Existing DVB-T and MPEG-2 | 5 SD services; or<br>3 SD services and 1 HD service; or<br>1 SD service and 2 HD services.   |
| (b) | Future DVB-T and MPEG-4   | 8 SD services; or<br>5 SD services and 1 HD service; or<br>3 SD services and 2 HD services.  |
| (c) | Future DVB-T2 and HEVC    | 15 SD services and 1 HD service; or<br>12 SD services and 2 HD services; or<br>7 HD services; or<br>1 HD services and 1 UHD service. |
- 4.6 Considering there are currently 5 RF channels (2 national and 3 commercial) operating in every licence area across Australia there is capacity for a large number of free-to-air broadcast services: currently in the region of 25 services, medium to longer term up to around 40-80 services, depending on the mix of primary and other services.
- 4.7 The Government proposes no new regulation to limit or regulate the number of services provided by commercial or national broadcasters, other than to require a single primary service be provided. The Government considers there are sufficient commercial incentives to ensure the RF channel will be used efficiently.
- 4.8 The arrangements currently in place for community television provide for a single SD service to be carried on a single separate RF channel.
- 4.9 Whilst ever the RF channel is not required for other purposes, this arrangement enables community television without loss of spectrum opportunity.
- 4.10 In the longer term, the CBAA – and presumably the Government – considers allocation of a full RF channel for a single broadcasting licensee a clumsy and inefficient arrangement.
- 4.11 Use of a specified amount of capacity within a shared multiplex operating within an RF channel is clearly a sensible future pathway. This approach would ensure on-going free-to-air availability of community television – once the RF channel currently used by community television is actively required for other purposes.
- 4.12 The CBAA proposes that capacity be reserved to enable at least one primary community television service to operate in each television licence area.
- 4.13 Accordingly, the CBAA considers the existing community television services should continue to operate on the current RF channel arrangements until such time as reserved capacity is made available. The logistics and timelines for this are covered in section 9.
- 4.14 Further discussion on multiplex capacity licensing options and the amount of reserved capacity is covered in section 12.

## 5. Primary service - concept and format

### Concept of primary service is durable, format to be unrestricted

- 5.1 Digital television commercial and national broadcasters are currently required to provide a primary television service in standard definition (SD).
- 5.2 Commercial licensees are required to meet broadcast and cultural policy objectives such as Australian content, anti-syphoning and captioning requirements on that primary service. Some Australian content obligations now also apply to multi-channel services.
- 5.3 The widespread availability of HD capable receivers - with little/no premium on cost to SD receivers - renders the obligation that the primary service must be SD less relevant.
- 5.4 The Government proposes to remove the requirement for the primary service to be provided in standard definition.
- 5.5 The CBAA supports the removal of the requirement that the primary service must be in standard definition. In other words, provision of the primary service in HD ought not be prevented.
- 5.6 By proposing less regulation of its format, Government clearly considers the underlying concept of a primary service as continuing to be relevant.
- 5.7 The CBAA strongly supports the concept of primary broadcast services.
- 5.8 The paper describes the concept of a primary service as being from an era when each broadcaster offered only one service. While that may be true, the concept is durable and has on-going relevance.
- 5.9 Australians rightly expect that use of public spectrum by broadcasters will result in at least a primary set of services that adequately address the public policy objectives for democratic discourse, diversity and cultural development and maintenance - on a universal and free-to-air basis.
- 5.10 This sentiment has been echoed by recent public discourse on anti-syphoning obligations. The Minister has been forthright in defence of free-to-air broadcast access for key cultural content.
- 5.11 In separate discussions of media reforms, the Minister is quoted as saying, "The policy question for Government is simply whether we want to continue with a free-to-air television system where ordinary Australians, who may not be able to afford a Foxtel subscription, can nonetheless watch their favourite sport on free-to-air TV." <sup>1</sup>
- 5.12 The Minister went on to say, "Our arrangements, which are very long-standing and are amended from time to time, strike a balance between egalitarianism and our sense of a fair go on one hand and strict economic rationalism on the other."
- 5.13 The CBAA is pleased the Minister supports the concept that content that addresses key cultural objectives ought to be available on free-to-air television services.
- 5.14 The sport oriented listing of the current anti-syphoning list reacts to the commercial market for sports rights.
- 5.15 A broad range of cultural objectives are achieved through the mix of commercial, national and community broadcasting services and reflect objects of the Broadcasting Service Act including "to promote the role of broadcasting services in developing a sense of Australian identity, character and cultural diversity" and "to promote the availability to audiences throughout Australia of television and radio programs about matters of local significance".
- 5.16 Community broadcasting services provide a high level of local content produced by local program makers including local and state-based sport, music, arts and cultural content, ethnic and multicultural programs and community information.
- 5.17 There should be no cost barrier for viewers to access a mix of primary broadcast services. At least one community television service should be part of that mix.

## 6. Broadcasting on VAST

### Allow viewer access to all free-to-air services

- 6.1 The Viewer Access Satellite Television (VAST) service commenced in 2010 and provides a satellite delivered television services for those unable to receive adequate terrestrial television reception.
- 6.2 VAST provides coverage of all services across all of Australia. It is free-to-air. There are no subscription or operational costs to viewers.
- 6.3 The VAST system operates a conditional access system that can be used to limit viewer access to services.
- 6.4 The Australian Government is contractually obliged to provide funding until 2020 to support the VAST service.
- 6.5 National broadcasting services on VAST are available across all of Australia.
- 6.6 Commercial television broadcasting services on VAST are available across all of Australia but are encrypted and only made available – on individual viewer application to the commercial broadcasters – to those viewers living in metropolitan and regional areas if those viewers can demonstrate an inability to receive terrestrial television services.
- 6.7 Currently there are no community television services on VAST.
- 6.8 The Government proposes to remove regulation that allows for viewers in regional licence areas to access services on VAST if the number of services on VAST exceed the number of terrestrial services available.
- 6.9 The CBAA takes a quite different view. It considers restricting access to free-to-air services on VAST to suit commercial terrestrial licence area boundaries is an out-dated and viewer unfriendly concept.
- 6.10 The national broadcasters are already available across all of Australia on VAST.
- 6.11 If a viewer purchases VAST reception equipment that viewer ought be able to receive all national, commercial and, if they were to be provided, community services on the VAST system.
- 6.12 If the concern is to protect local terrestrial commercial services it seems misplaced. If those local commercial services do not – through their own programmed content, advertising and local information and emphasis – attract an audience in preference to a commercial service from another location then there is a question as to whether it is the role of regulation and government subsidy to apply an artificial protection.
- 6.13 In any case, in the main, regional and remote commercial television is generated with a common bed of program content played out from a common national facility, with localised advertising content inserted centrally.
- 6.14 Allowing viewers to access services on VAST may obviate the need for some terrestrial re-transmission facilities and lead to improved spectrum efficiency.

## 7. High Definition

### No need to re-introduce quota

- 7.1 The CBAA supports the Government position to not reintroduce a quota requiring a specific amount of high definition content.
- 7.2 Beyond a requirement for primary services, providing flexibility to broadcasters seems the best way to allow agile response to technological changes and maintain an appropriate balance. Soon enough there may be pressure for Ultra High Definition.

## 8. Flexible use of spectrum allocation

- 8.1 Now that digital television switch-over is complete the Government is considering permitting (national and commercial) television broadcasters to use their multiplexes to provide some other types of services.
- 8.2 The consultation paper notes that fewer restrictions could provide (national and commercial television) broadcasters with the flexibility to consider new business models and different ways to monetise content.
- 8.3 However, the paper also notes that the digital television framework needs to achieve a balance between ensuring continuation of broadcasting services, to which public policy regulatory objectives are attached, and providing (national and commercial television) broadcasters with greater flexibility to provide different types of services.

### Remove datacasting provisions

- 8.4 The Government intends to remove the datacasting provisions related to television in Schedule 6 of the Broadcasting Services Act and the corresponding provisions in the Radiocommunications Act. The CBAA has no objection to this legislative change.

### Reserve capacity for community television and radio

- 8.5 The Government intends to remove the restriction on commercial and national broadcasters providing narrowcasting services on their digital television multiplexes and so allow greater flexibility as to the types of services they provide.
- 8.6 The CBAA would support legislative change to allow use of digital television multiplex capacity for television narrowcast use only if there was legislation to reserve capacity for at least one community television service in the respective licence area, on a must carry at no cost basis.
- 8.7 The CBAA would support legislative change to allow use of digital television capacity for radio narrowcast (or broadcast) use only if there was legislation to reserve capacity for multiple community radio services in the respective licence area, on a must carry at no cost basis.

### Retain restriction on subscription services

- 8.8 The Government intends to retain the restriction on commercial and national broadcasters providing subscription television (and radio) services on their digital television multiplexes.
- 8.9 The CBAA supports the retention of this restriction and agrees that broadcasters are provided with spectrum on the expectation that their services are available to the public free of charge. Allowing broadcasters to provide subscription services would represent a significant - and unacceptable - cultural and policy shift.

### Third party content

- 8.10 The Government is considering alternative frameworks that might allow for provision of third party content. For example, to enable a third party 'renter', rather than the licensee broadcaster, to retain editorial responsibility for content. The licensee broadcaster would decide commercial and oversight arrangements that would apply to the renter.
- 8.11 The CBAA is keen to continue to engage with any options that the Government may consider appropriate for third party content, particularly in regard to the operation of community services and digital broadcasting. It faces similar challenges in relation to digital radio.
- 8.12 The CBAA would support legislative change to facilitate use of digital television multiplex capacity for third party content only if there is legislation to reserve capacity for at least one community television service in the respective licence area, on a must carry at no cost basis.

### Broadcast and online

- 8.13 The Government is interested to get feedback on the potential use of alternate technologies, such as online, that do not use broadcast spectrum for the delivery of television services and the impact on the regulatory framework and broadcast business models. These matters are covered in sections 10,11 and 12

## 9. More efficient use of broadcast spectrum

### Transition, timelines, trials and capacity sharing

- 9.1 The Government is keen to see broadcasters commence transition to use of MPEG-4 encoding of services, using the existing DVB-T transmission system.
- 9.2 Following further consultation, the Government may consider a deadline to require broadcasters to transmit using MPEG-4 encoding.
- 9.3 MPEG-4 DVB-T is a first step. It will allow more services with the same overall spectrum allocation. The next logical step would be to explore use of the more efficient HEVC encoding and change to DVB-T2, a more efficient transmission system. This will enable extra services, and the potential for overall spectrum efficiency.
- 9.4 The CBAA considers the timeline for phasing in MPEG-4 services on existing DVB-T transmission channels can be prompt. More than 80% of in home digital television sets are MPEG-4 ready.
- 9.5 Community television would be a logical and effective choice of service to trial MPEG-4 as an early next step to transition.
- 9.6 There would be capacity on at least one multiplex in each licence area to carry a MPEG-4 encoded service for community television.
- 9.7 This would be an elegant way to ensure continued free-to-air availability of at least one community television service in each licence area. Carriage within another multiplex would allow closure of the UHF channel currently used by each community television service.
- 9.8 As there are typically 5 other multiplexes operating in each licence area, there would need to be consultation to determine the choice of host multiplex. It could be a multiplex that also carries national or commercial television services. This is discussed further under multiplex licensing, section 12.
- 9.9 The Minister has suggested implementation of trials of MPEG-4. This would logically begin on the VHF channel in each capital city. This channel is currently vacant. To be clear, the community television services are currently using UHF channels, not VHF.
- 9.10 The Minister has also suggested the national broadcasters might lead the way to trial use of a multiplex on a joint basis. Logically, at this stage, this would require use of MPEG-4. If that comes about, there would be capacity within that joint multiplex operating all MPEG-4 services for at least one community television service.
- 9.11 Longer term, the timeframe for DVB-T2 implementation would likely be 5-7 years. Near term, it would be prudent to commence planning for this potential change.
- 9.12 Use of HEVC DVB-T2 will enable a further increase in the number of services, potentially within less overall spectrum. With a further overall increase in capacity, the reservation of capacity for community television will be even more straight-forward.
- 9.13 The CBAA requests formal involvement in the planning processes leading to industry trials of joint multiplex operation and the transition to MPEG-4 encoding.
- 9.14 As with other stakeholders, the CBAA will be keen to ensure broadcast spectrum is used efficiently and in a way that best achieves public policy and cultural outcomes.

## 10. Broadcasting and the Internet

### Internet delivered services are not free and are not broadcasting

- 10.1 In September 2014 the Minister proposed the development of a future broadcasting spectrum framework and went on to say that the Government believes the best outcome for community television would be to use the Internet as its distribution platform in the future.
- 10.2 The CBAA is pleased that the Government seeks the best outcome for community television but is concerned that these best intentions are not taking full account of the consequences of using the Internet as the only means of distribution.
- 10.3 The Broadcasting Services Act has as one of its primary objects “to ensure the maintenance and, where possible, the development of diversity, including, public, community and indigenous broadcasting, in the Australian broadcasting system in the transition to digital broadcasting”.
- 10.4 The removal of community television broadcasting licensees from digital broadcasting runs counter to this legislated public policy objective.
- 10.5 The legislation requires that, as community broadcasting licensees, community television programs must be able to be received by commonly available equipment and be made available free to the general public.<sup>1</sup> While it could be argued that Internet connected devices, including televisions, are commonly available, services via the Internet are not free.
- 10.6 As noted earlier, the Minister has identified that not everyone can afford a Foxtel subscription. Equally, not everyone can afford online connectivity for media.
- 10.7 It would be useful for economic analysis work to be done on the tipping point underneath which costs might be deemed ‘free’. The CBAA has had discussions with the Department’s new Bureau of Communications Research to that end and is encouraging further research in this area as a focus.
- 10.8 The Broadcasting Services Act specifically excludes a service that makes programs available on demand on a point-to-point basis from being defined as a ‘broadcast’ service.
- 10.9 To emphasise the point further, Minister (Alston) in 2000 issued a determination saying “a service that makes available television or radio programs using the Internet, other than a service that delivers television or radio programs using the broadcasting services bands” is not a broadcasting service.<sup>2</sup>
- 10.10 Taking all this into account means that the non-profit, community-based governance and ownership structures, and participatory content generation that are central and defining characteristics to legitimate community broadcasting organisations do not apply to Internet online only operators. Neither does broadcast content and Codes of Practice legislation or regulation apply.
- 10.11 Community television online would no longer be legitimate broadcasting. It would not be much different to many other online video platforms.
- 10.12 Without the legitimacy and obligations that come with formal broadcaster status, the idea of observing community broadcasting values and objectives as defined in the Broadcast Services Act has no legal value.
- 10.13 None of this is to disregard the importance of online delivery. Rather it is to name up that, unless legislative change is implemented, for community television broadcasting to be legitimate it must have a core component that is defined as a free-to-air broadcast platform.
- 10.14 The role of online delivery is important, and the community television broadcasters ought be able to make use of online delivery in the way other broadcasters do: as a complementary platform to enable broader reach and facilitate on-demand services. Not as a replacement for free-to-air.

## 11. The Internet and video

### The lion's share of all video viewing is free-to-air television broadcast

- 11.1 The Government considers further work should be undertaken in 2015 to consider the implications of free-to-air television services being delivered using online platforms.
- 11.2 Some research provides an appropriate context to any further work. In respect of video delivery in volume, the Internet's role and capabilities are nascent. The bulk of all video viewing is by way of free-to-air broadcast television.
- 11.3 The Australian Multi-Screen Report 2014, compiled by OzTam, Regional TAM and Neilson, shows the volume of viewing by way of free-to-air television averages at over 24 hours per week (97 hours per month). Most of the viewing is live, while just under 2 hours per week is watching later.<sup>3</sup>
- 11.4 By contrast, viewing video delivered by way of Internet online on laptop or computer averages at a little over 2 hours per week. Around a quarter of homes report having a Smart TV, but the volume of online hours watched on Smart TVs, specifically, as distinct from a computer or laptop, is low and not yet measured reliably. The volume watched on tablets and smartphones is tracking at just under 30 minutes per week.
- 11.5 In a separate sample of viewers of online on-demand content, Screen Australia<sup>4</sup> found 90% watched broadcast television live, 50% later: with the volume of broadcast television viewing hours being on par with the Multi-Screen Report research. Screen Australia summarised with the headline, "... television still accounts for the lion's share of hours watched".
- 11.6 In summary, 2014 research indicates that around 89% of all video hours viewed is delivered by broadcast television. 11% of video hours, including some broadcast content, is delivered by Internet online.
- 11.7 The Multi-Screen report states that Australians continue to watch, on average, a little over three hours of broadcast television each day on their in-home TV sets and that this figure has been consistent over the past decade.
- 11.8 The research seems clear: use of the Internet for video has not replaced the role of broadcast as the mainstay platform. Internet is acting in complement. Useful for on-demand, niche or some premium content and, if low cost or free, as a substitute for buying or renting movies on DVD.
- 11.9 Expressed as a percentage of all video hours watched, broadcast has dropped from near enough 100% prior to 2010 to the current 89%. Conversely, over that period online has increased from near enough zero to the current 11%. Attachment 1 illustrates the trend.
- 11.10 It would be brave to predict the timeframe for trends into the future. The trend to online is expected to bump as a result of additional high profile services, such as Netflix, recently launched in Australia.
- 11.11 Even with a bump, with mainstream viewing so overwhelmingly with broadcast, it is difficult to see how the public's access to diversity in media is best served by closing an existing free-to-air broadcast service, specifically one with a brief to engage the local community and add diversity to free-to-air mainstream media.
- 11.12 Take up of online is also limited by cost. Not everyone can afford the Internet, or to use large amounts of metered data watching video online. By contrast, as a matter of social policy, engineering design and legislation, broadcasting is free at the point of consumption and enables equitable access to viewing on a large scale.
- 11.13 To reiterate: community television broadcasters should be able to make use of online in the same way other broadcasters do: as a complementary platform to enable broader reach and facilitate on-demand services. Not as a replacement for free-to-air services.

## 12. Reforms: Multiplex licensing and un-metered delivery

### Enable capacity sharing within free-to-air broadcasting

- 12.1 The Government intends to introduce television multiplex licensing.
- 12.2 This would involve amendment to the legislation (Broadcasting Services Act and Radiocommunications Act) to enable shared use of capacity by different broadcast licensees of a common RF transmission channel for television broadcasting.
- 12.3 The CBAA prefers the concept of a separate 'multiplex' licence held by a joint venture entity. This has precedent in digital radio legislation.
- The CBAA prefers this model as it allows effective decoupling of multiple licensing from content service licensing. The CBAA would support this model provided that:
- (a) first right of refusal for shareholding is to licensed television broadcasters, leaving further shareholding then open to others.
  - (b) all eligible television broadcast licensees would be entitled to capacity.
  - (c) capacity is reserved in each licence area for a potential or actual community television broadcasting service. Capacity reserved should be equivalent that of the primary services of commercial and national broadcasters for television.
  - (d) should broadcast or narrowcast radio services be permitted, capacity for multiple community radio services should be reserved.
- 12.4 The obligation to reserve capacity for community (television or radio) broadcasting would be expressed on a per licence area basis. The nominated multiplex(es) would be declared foundational and carry the obligation. The cost of the obligation could be expressed as an offset against a multiplex license fee.
- 12.5 The multiplex license model would need to be accompanied by an access regime. The digital radio access regime is registered with the ACCC with the ambition to ensure no discrimination on access and pricing. While a useful example, some specifics of that access regime could be improved upon in some ways.
- 12.6 An alternative to a JVC structure is a single 'host' broadcaster being awarded the multiplex license. The CBAA would support this this model with the same provisos as above, specifically 12.3 (b), (c) and (d). The host broadcaster multiplex model would require a more rigorous access regime.

### Ensure online delivery of broadcast services is un-metered

- 12.7 The Minister has suggested the best future for community television is online.
- 12.8 The licensing and other impacts of that approach for a broadcast service have been covered in Section 10. Timing has been covered in Section 11.
- 12.9 Whether internet delivery is direct to a mobile or desktop, or by way of integrated HbbTV or separate Smart TV applications does not mitigate cost. With all these approaches there will be new costs to many viewers. The Internet is not free.
- 12.10 If the means to access a primary broadcast service, such as community television (or radio) is via the Internet, then, to address cultural and public objectives, the Radiocommunications Act and related legislation should be amended to require telecommunications carriers, internet service providers and mobile network operators to treat services provided by holders of Broadcast Service Licences as non-metered data, available within plans but also without need for a plan.
- 12.11 This would begin to address equity issues and be more in accord with the need for broadcast services to be made available free to the general public.
- 12.12 Notwithstanding issues of internet access and cost, the CBAA believes that public interests are best served by retaining a diverse mix of commercial, national and community television broadcast services and supports development in spectrum efficiency. The CBAA sees no substantial reason to withdraw access for community television services from the free-to-air broadcast platform ahead of the timing for other primary broadcast services.

## References and notes

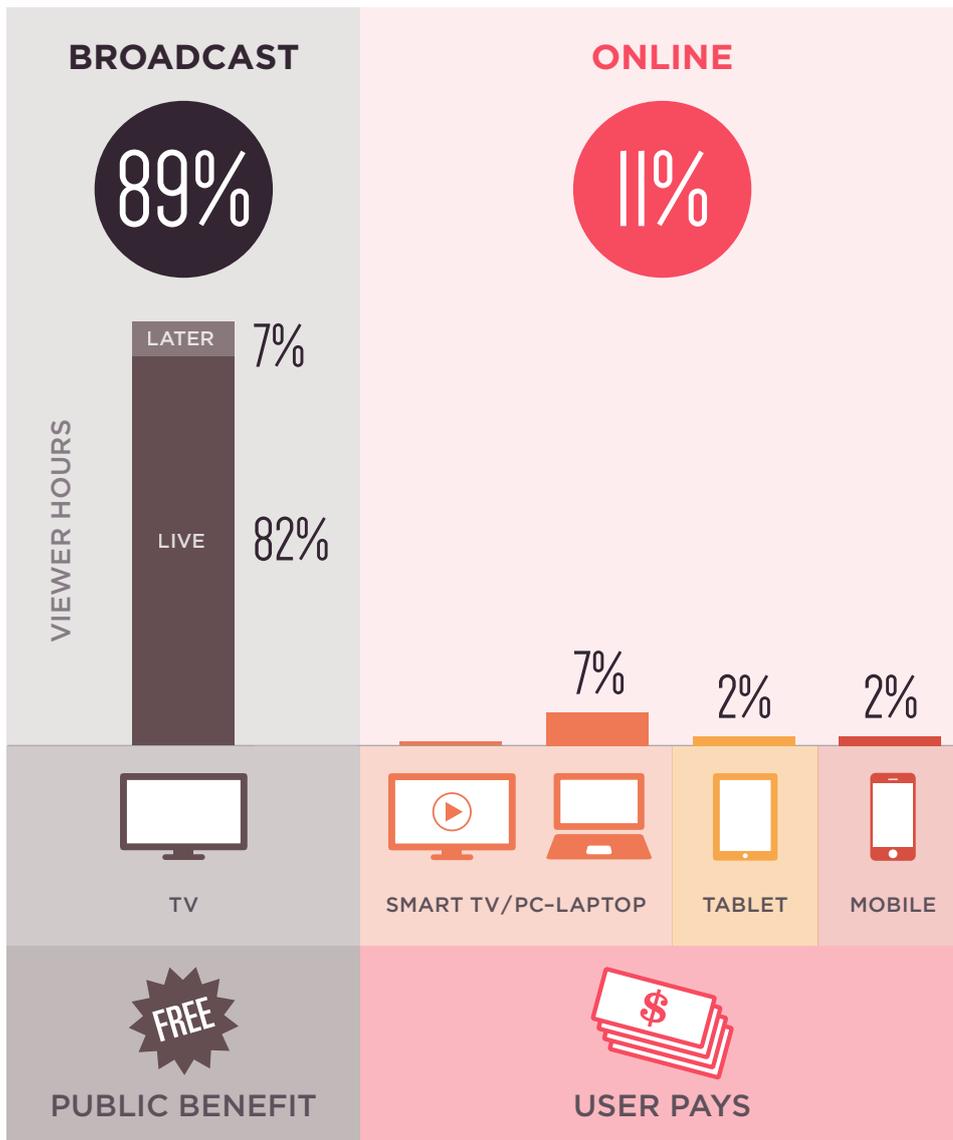
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- <sup>1</sup> Broadcasting Services Act 1992, s.15  
The definition of a community broadcasting service, includes sub-section (c) to:  
*... provide programs that:*
- (i) *are able to be received by commonly available equipment; and*
  - (ii) *are made available free to the general public.*
- <http://www.comlaw.gov.au/Details/C2014C00740>
- <sup>2</sup> Broadcasting Services Act 1992, Determination under paragraph (c) of the definition of “broadcasting service” in subsection 6(1) (Alston)  
<http://www.comlaw.gov.au/Details/F2004B00501>
- <sup>3</sup> Australian Multi-Screen Report, Q2 2014. OzTAM, RegionalTAM and Nielsen
- |                                   |                       |                         |
|-----------------------------------|-----------------------|-------------------------|
| Watching TV in the home           | 97.05 hours per month | All people              |
| Live                              | 89.08 hours per month | All people              |
| Later, via PVR                    | 7.97 hours per month  | All people              |
| Watching video on computer/laptop | 8.13 hours per month  | All people, 2+          |
| Watching video on a smartphone    | 1.93 hours per month  | All people, 16+ Q4 2013 |
| Watching video on a tablet        | 1.78 hours per month  | All people, 16+ Q4 2013 |
- Percentages in text based on viewer hours expressed as a percentage of the total.
- Trend based on equivalent viewers hours from previous Multi-Screen reports, expressed as a percentage of the total.
- <sup>4</sup> Screen Australia, 2014, Online and on-demand - trends in Australian online video use.

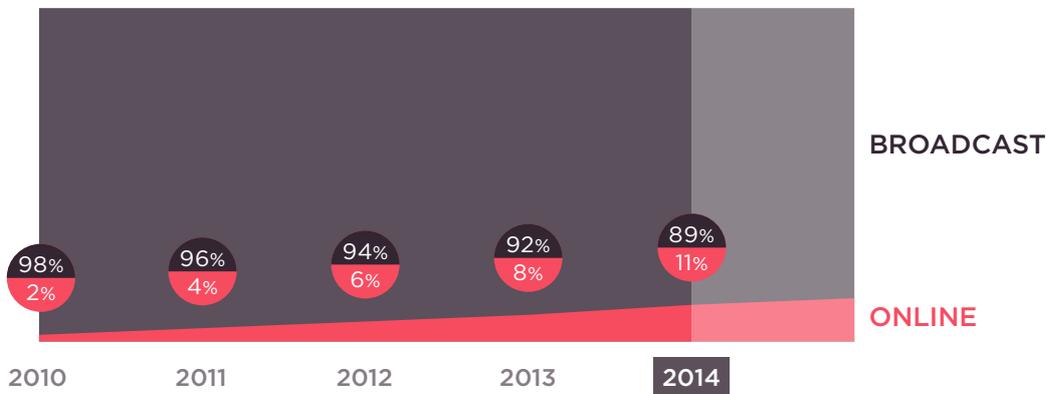
## **Attachments**

- 1 Australian video viewing hours, by device: how people watch video in 2014
- 2 Digital television broadcasting, transmission and encoding options

# HOW PEOPLE WATCH VIDEO IN 2014



## TRENDS



Percentages based on viewer hours derived from Australian Multi-Screen Report, Q2 2014, OzTAM, RegionalTAM and Nielsen.

Watching TV in the home	97.05 hours per month	All people
Live	89.08 hours per month	All people
Later, via PVR	7.97 hours per month	All people
Watching online video, computer/laptop	8.13 hours per month	All people, 2+
Watching video on a smartphone	1.93 hours per month	All people, 16+ Q4 2013
Watching video on a tablet	1.78 hours per month	All people, 16+ Q4 2013

Trend based on equivalent viewer hours from previous Multi-Screen reports, expressed as a percentage of the total.

# DIGITAL TELEVISION BROADCASTING

## Transmission and encoding options

### Planned RF channels for television



### Potential services within each RF channel

<b>EXISTING</b>	DVB-T	23 Mbps per RF channel	MPEG-2	SD		HD															
				4-6 Mbps per service		8-12 Mbps per service															
				SD	SD	SD	HD														
				SD	SD	SD	SD	SD													
SD	HD		HD																		
<b>FUTURE</b> 80% of sets	DVB-T	23 Mbps per RF channel	MPEG-4	SD		HD															
				2-3 Mbps per service		6-8 Mbps per service															
				SD	SD	SD	SD	SD	HD												
				SD	SD	SD	SD	SD	SD	SD											
SD	SD	SD	HD		HD																
<b>FUTURE</b> 5-7 years	DVB-T2	35 Mbps per RF channel	HEVC	SD		HD		UHD/4K													
				1-2 Mbps per service		4-6 Mbps per service		20-30 Mbps per service													
				SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	HD
				SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD	SD
HD	UHD																				
HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	HD	

Indicative configuration options per RF channel, ignoring radio configurations