



Consumer issues and pay TV

'What would concern me is that, the week after I subscribe to the ice hockey channel, I would start getting things from [a sports store] telling me about their ice hockey stuff...It's the on-selling of information that I object to...I certainly don't want any more junk mail in my letter box.'

This was just one comment made by a participant in a small research project conducted by the ABA. Some of the major findings of this research—which explored community concerns and expectations in relation to how complaints, fault repair and consumer privacy—will be considered by the new pay TV industry in Australia.

An ongoing cable television trial, the Telecom Centennial Park Residential Video Pilot, began in August 1993. At the time of the ABA's research, Telecom Australia provided a range of channels, free of charge, to approximately 450 householders living in Centennial Park, Sydney. Channels include United States based services CNN, NASA and Worldnet as well as a community channel, an education channel and a Japanese-produced channel.

In November 1994, Linda Sheldon, Stephen Nugent and Margaret Cupitt from the ABA conducted four focus group discussions with 29 of these householders. 'The trial presented an opportunity for the ABA to explore a range of consumer issues with a group of people who already receive a cable television service in their homes', observed

Margaret Cupitt, of the ABA's Research section.

'Qualitative research uses in-depth discussion with a small number of people and it is not possible to generalise about all 450 households involved in the trial or to the wider Australian community,' explained Margaret. 'The trial operated in a small area of Sydney, which in turn is not necessarily a model of future pay TV systems.'

While acknowledging these limitations, the ABA's findings have allowed the identification of a range of consumer attitudes which contribute to an understanding of consumer issues to be covered in the Subscription Television Codes of Practice. The *Broadcasting Services Act 1992* requires the pay TV industry, like other broadcasting sectors, to develop industry codes of practice in consultation with the ABA. The industry must take into account any relevant research conducted by the ABA.

Handling complaints

Householders in this study expected a co-ordinated approach by pay TV companies. Such an approach required:

- a simple and straightforward complaints procedure;
- that if there were more than one contact point for different complaints, it must be clear to consumers which organisation can solve their specific problems;
- clear and appropriate information for consumers about the complaints procedure;
- trained personnel experienced in responding to complaints in a professional and consumer-friendly manner; and
- an appropriate and fast response to complaints and inquiries.

Fault repair

There was a great deal of consensus between householders concerning their expectations about fault repair. Participants' expectations were similar and centred on consumer needs:

- a fast response to requests for repairs, within 24 hours, was considered to be acceptable;
- technicians should repair faults at a pre-arranged time to suit the customer and arrive on time; and

■ technicians should be efficient, competent and professional in their work.

Expectations about fault repair were strongly influenced by the fact that consumers would pay for programs and channels. Participants generally expected a very high standard of service from pay TV companies.

Privacy

Discussion about privacy covered the compilation of lists and the distribution of those lists to other organisations about household viewing habits and other personal details. Direct marketing was seen as the main reason for compiling and distributing personal information.

Participants distinguished between the use of information by the pay TV provider who collected the information and the use of that information by other organisations. Generally, there were no objections to pay TV organisations using personal information to handle cus-

tomers accounts and to provide information about pay TV channels and associated services.

Most participants responded overwhelmingly against the distribution of personal details to other organisations for direct marketing purposes. However, some people saw benefits to distributing personal information for marketing purposes, saying it might be helpful to receive information that is relevant to personal tastes and interests.

Many participants agreed that options be given up-front at the time when an initial contract or agreement was signed and on the bill allowing consumers to change the option at a later time. In order to protect subscriber privacy, participants expected to be:

- fully informed about what personal information would be collected and how it would be used;
- given the option to indicate whether their personal information could be used by other organisations; and
- given the opportunity to indicate what type of information they want to receive.

Pay TV codes of practice

■ consumer issues covered by the codes of practice for pay TV are: subscriber rental options; fault repair; privacy; and credit management and billing.

■ the final draft of the pay TV codes of practice is being discussed by the ABA and the Confederation of Australian Subscription Television (CAST), following consideration of public submissions.

■ the ABA will only register the codes of practice when it is satisfied that: appropriate community safeguards are adequately covered; that the code has been endorsed by a majority of providers of pay TV services; and that the public has had the opportunity to comment.

■ the ABA conducts ongoing research which the industry must take into account when developing its codes.

■ a copy of the report on the Centennial Park research project has been provided to CAST.

■ consumer legislation relevant to pay TV subscriber issues is applied by the ABA and other regulatory organisations.

Consumer information

Consumer information was seen as an important aspect of the complaint handling and privacy processes. In fact, receiving comprehensive information about these matters was just as important as receiving information about the price, content and the channel classifications of pay TV services, at least initially.

Participants identified requirements for information covering privacy, fault repair and complaints procedures. These were that:

- the information be provided in written form. For example, an agreement, publication or advice on the television bill that could be easily referred to if needed; and
- information be given on-screen.

'The participants in this small study did not want pay TV operators passing on their personal information to other organisations without their permission', concluded Linda Sheldon, the ABA's research manager.

'The ABA's research indicated that the needs, views and expectations of consumers must be taken into account for the subscription television codes of practice to be a success.' □

Australia's first ever contemporary music summit was held at Parliament House in Canberra on 27 April 1995. Drawing together a broad range of artists, managers, producers, union officials, promoters, journalists, broadcasters and arts administrators, the summit discussed present and future issues affecting the contemporary music industry. Andrew Poole of the ABA's Standards section, reports.

Australian music:

Michael Lee, Minister for Communications and the Arts, gave the opening address which raised many of the issues discussed at the summit, including the need:

- to address questions of copyright;
- for more new Australian music on radio;
- to see Australian performers be supporting acts for foreign tours;
- to ensure a fair return to artists and record companies from radio broadcasts of their recordings;
- to develop a national scheme for artist and repertoire development;
- to keep Australian recording studios open; and
- to meet the challenges of new communications technology which could change the way music product is distributed.

General concern for the health of the industry was expressed by a number of delegates. Keynote speaker, Mushroom records managing director, Michael Gudinski, said that new music is the basis of the industry and a quota should be introduced to ensure a higher representation of new music on radio.

A recording studio was set up in front of Parliament House to demonstrate that Australian artists use some of the most up-to-date music technology available in the world. Australian musicians performed in a variety of combinations and