The following is an edited text of a speech given by **Mr Peter Webb**, ABA Chairman, at the Asian Mass Communications Research and Information Centre (AMIC) 25th Anniversary Conference, 1-3 June 1996.

Regulating the new communication technologies

In Australia we are coming to terms with four new carriage elements that promise great expansion in opportunities for more and better broadcasting. They are:

- the prospect of an unlimited number of new satellite pay TV services from 1 July next year;
- digital sound broadcasting (DSB);
- digital terrestrial television broadcasting (DTTB); and
- on-line services.

Satellite pay TV services

Until 1 July 1997, only three satellite pay TV licences (known as A, B and C) offering a total of ten channels are available in Australia. After that date there will be no limitation on the number of licences that ABA might grant, or the number of channels those licensees might employ.

This policy was based on the view that satellite-delivered pay TV was the best means by which all Australians could be offered the opportunity to subscribe for new television services.

Our laws reflect this determination to offer opportunity equally to all our citizens, and our pay TV laws were based on the same determination. Unfortunately, the unspoken assumption upon which this policy was also based, that other delivery mechanisms for pay TV would not be competitive with satellite direct-to-home services in the short term, proved to be erroneous.

Both MDS-delivered and cable-delivered services have been invigorated by investors willing to compete with each other and with satellite-delivered services for the Australian subscribers' dollars.

This competition is fierce, and, for the most part, uncompromising, and, unless MDS-delivered and satellite-delivered services can gain a sufficient foothold throughout the country before 1 July 1997, the window of opportunity for competitive satellite-delivered services will have been left open.

Peter Webb, ABA Chairman

Digital sound broadcasting

Digital sound broadcasting promises a higher quality sound and better reception capability than existing analog services can provide, as well as the potential for innovative and ancillary services. Single frequency networks and direct satellite radio broadcasting will be possible.

Digital sound broadcasting is also more spectrum efficient than analog, so more services can be provided per portion of spectrum. The ABA believes DSB will eventually replace the analog system.

Further work will need to be done on the provision of digital services to sparsely populated areas which presently receive wide coverage, high powered AM services.

From an Australian viewpoint, one of DSB's key features is its capacity to deliver satellite services in a form readily receivable on fixed or mobile receivers which are also compatible with terrestrial transmissions. This capacity is a feature of the Eureka 147 standard on L-Band, which band the ABA assumes will be the standard for DSB.

DSB transmissions will have to be multi-plexed, so that a number of broadcasting services are transmitted within one signal. Broadcasters in Australia have indicated they wish to be able to control the multiplexing and transmission of their services, possibly through joint multiplex facilities.

Notwithstanding our view that DSB will eventually be the primary means of radio delivery, there are still significant costs associated with the establishment of DSB, and their absorption will not be easy. Our Government will also have to consider, as well, how the national broadcasters, the ABC and SBS, might be funded to participate in DSB establishment.

The ABA notes that other countries are using the national broadcasters as a vehicle to encourage the introduction of DSB services, thereby providing commercial operators with the incentive to follow suit.

Digital terrestrial television broadcasting

Policy preparations are taking place all around the world so that its eventual introduction can take place as smoothly as possible.

When it comes to Australia, it may arrive in the form of terrestrial television or by satellite direct-to-home. It promises the possibility of wide screen cinema-like picture format and quality, multi-programming capabilities and inter-active programming.

The space presently occupied by one commercial television service could be used for three or more standard quality channels; a single high definition channel; up to ten news or movie channels of VHS quality, or different combinations of some of these services.

All of our present analog television sets would eventually change to digital sets, a long period of simulcasting would be necessary during the change over period, and the current regulatory regime would need to be revisited in substantial part in order to accommodate the changes.

One of the possible advantages offered by the introduction of digital television relates to advertising. The trick, if there is

one, to increasing advertising revenue while maintaining program quality in the free-to-air industry, seems to revolve around giving the current networks the opportunity of utilising their allocated spectrum so as to operate several channels at the one time.

The introduction of new programming as an extension of existing services is inherently a much more stable way of growing advertising opportunities in Australia than is the introduction of, say, a competitive fourth network. This may be one of the reasons why Australia's new Government pledged before the election that there would be no fourth network introduced.

The USA was the first country to establish a major development project for DTTB and major European initiatives followed.

For the USA, DTTB needs to fit within the constraints of 6MHZ channel spacing, and not interfere with existing NTSC services. It was seen by broadcasters and the Government as needing urgent attention if the terrestrial broadcast industry was to have the tools to face growing competition from satellite and cable services.

In Europe there wasn't the same urgency. Through the digital video broadcasting (DVB) project, Europe has made strong progress and has virtually completed European standards for digital broadcasting via satellite, cable and terrestrial means.

While the USA has given serious attention to high definition television delivery as part of its system design, in Europe the main emphasis has been on multi-program delivery over existing single program channel bandwidths.

High definition development is constrained by the lack of economically priced large screen displays of small physical volume and adequate brightness. Once these problems are overcome, the demand for higher resolution pictures in the home is likely to increase rapidly.

In 1992 the International Telecommunications Union (ITU) established a task force to urgently study international standards. While the task force has not yet achieved a single world-wide standard, it has achieved a high level of commonality of approach. The task force has almost completed its work and will hold its final meeting in Australia during November this year.

The output of the task force will be documented recommendations on DTTB implementation, and on how DTTB services should be initially planned and introduced from a technical perspective.

The ABA will be reporting to government in the third quarter this year on the outcome of its examination of digital terrestrial television issues so far as Australia is concerned. Australia is near the vanguard in terms of being prepared to consider the available technologies and to proceed to implementation much earlier than we have taken up other changes in broadcasting.

On-line services

In July last year the ABA was directed to investigate on-line services (see p.3 for details of the Minister's direction to the ABA).

Late last year the ABA released an issues paper on the matter. We had identified a number of issues relating to the nature and extent of community concerns about on-line services, and we identified options for addressing those concerns.

We invited responses from all sections of the community in relation to the issues paper. And we intend to continue to consult with industry and community groups in an effort to establish a consultative framework for the management of on-line content issues.

Some of the key regulatory issues we identified related to the following:

- whether a code of practice is appropriate for the on-line services industry, or sections of it;
- which services (e.g. a WWW site v private e-mail) should be the subject of a code of practice;
- what matters might be included in a code of practice, for example;
- procedures to verify that prospective clients are of an age appropriate to the information available to them;
- the provision of information to content providers on legislation which may be relevant to an on-line environment, such as criminal offence provisions, copyright, defamation, racial and homosexual vilification, and anti-discrimination legislation;
- provision of information to users on filter software products or on-line services which are available for those consumers who which to restrict access to material which may be unsuitable for children;
- complaints handling procedures for breaches of any code;
- the display of appropriate warnings on material which may offend some people and may be unsuitable for children;
- methods of classifying material if a classification scheme were adopted;
- an obligation to block access to certain material which would be refused classification were it to be submitted to a classification scheme.

As an emerging industry sector, the on-line industry in Australia is not yet represented by a single peak body, although there is a number of organisations and groups which seek to represent the interests and views of sections of the industry.

The advantages of a single peak body are that it can act as a focus for the interests of industry members, manage industry-wide relations with government and the community, and develop, implement and manage any code of practice set up by the industry.

To facilitate industry representation, the ABA's issues paper proposed a national forum to identify stakeholders and to bring them together to discuss the issues arising in the on-line environment.

Platform for Internet Content Selection

The ABA has reported positively on the set of standards being developed for the Platform for Internet Content Selection, (PICS).

PICS is a cross-industry initiative to facilitate the development of technologies to give users of interactive media, such as the Internet, control over the kinds of material to which they and their children have access.

PICS is a set of standards that facilitates the following:

- **self rating**: this will enable content providers of on-line services to voluntarily label the content they create and distribute;
- **third party rating**: this will enable multiple, independent labelling services to associate labels with content created and distributed by others. Services may devise their own labelling systems, and the same content may receive different labels from different services; and
- **ease of use**: parents and teachers will be able to use ratings and labels from a diversity of sources to control the information that children under their supervision receive.

The group developing PICS believes ▷

that an open labelling platform which incorporates these features provides the best way to preserve and enhance the vibrancy and diversity of the Internet.

PICS draws on two unique features of the Internet. Firstly, Internet publishing is instantaneous, world-wide and very inexpensive, so it easy to publish rating and advisory labels. Secondly, access to Internet resources is mediated by computers that can process far more labels than any person could.

Labels for Internet resources could help users to select interesting, high-quality materials and could help supervisors to block access to inappropriate ones.

The problem of suppressing inappropriate materials is not unique to the on-line world, and various approaches have been used. The coarsest intervention is to classify some materials as inappropriate and bar them entirely from certain distribution channels.

The task of customising a rating or classification scheme to particular, even individual, preference, is feasible for software. Labels, or classification tags, can come from many sources. Information publishers may self-label, just as manufacturers of children's toys currently label their products with messages for buyers such as 'suitable for children for ages 5 years and up.'

Third party ratings of information can be useful. The sponsors of PICS offer examples of third party ratings, for instance: teachers giving, say, an astronomy class, might label a set of NASA photographs, and block access to everything else for the duration of the astronomy lesson.

The market structure of labelling services is likely to evolve as services experiment with revenue-generation models. Some may charge subscribers, while others may charge intermediaries, such as on-line services, for the right to redistribute labels. And others again may charge commercial sites for the privilege of being labelled.

So, PICS appears to offer the community quite a lot at this stage of its development. It offers a classification infrastructure for the Internet which is value-neutral. The system promises to help implement context-specific rules rather than inherently inflexible blanket rules.

Since children differ, contexts of use differ, and values differ, blanket restrictions are unlikely ever to meet the needs of everyone, but PICS appears to bring closer the possibility of customised classifications systems that users and parents can utilise with confidence.

PICS cannot, however, reach its potential without other factors also needing to materialise. A plethora of ratings or classification systems could create quite a deal of confusion in the market place. It is likely that there will need to be a rationalisation of such systems if wide community understanding is to be achieved. An obligation to utilise PICS-type systems might have to be enforced.

I believe that latter point, the need for industry to adopt PICS-type systems, is likely to occur, and in Australia the preparedness to adopt such systems could well be one of the features of any self-regulatory industry code of practice.

But a great deal of work still remains to be done on the construction of labelling or classification systems, and for governments these efforts would normally focus on national labelling systems.

There is no doubt that individual national personality will continue to play a major part in constructing new policy for new technologies. Until the death of the national state can be confirmed, and nation states seem as vigorous now as ever, even with, and perhaps because of, falling trade barriers and improved international communications, national policy will continue to flow from the same wellspring of national personality.

But the Internet poses different problems for policy-makers, due to its ability to ignore national boundaries. Perhaps it is time to give some thought to international discussions about the harmonisation of national ratings systems operating in conjunction with PICS-type standards so that regulation, even if it be substantially industry self-regulation, becomes as borderless as the phenomenon in question.

Asia Pacific region

This is a notion worth serious discussion, and I particularly recommend it to the contemplation of the countries of the Asia-Pacific region. I believe that Asia-Pacific countries have a view of the world that they believe is, in general terms, different from the view taken in Europe, the Americas and in Africa.

Whether differences or commonalities are the more marked, the regional grouping of countries in the Asia-Pacific could usefully consider their position in relation to a ratings or labelling schemes for the region, even if only as a precursor to full international harmonisation.

As individual countries we are able to maintain our own film and video classification schemes so as to ensure that local community standards find proper reflection in those mediums, and, while-ever national control is capable of being exercised over the licensing of broadcasters, this situation is likely to continue to be stable. But the Internet is different, and a different response from Government will be necessary.

I believe that the construction of a small number of recognisable ratings or labelling systems that can be married with a PICS-system set of standards, facilitated by Government and enforced by the industry in the first instance will be a very worthwhile achievement.

The existence of the International Telecommunications Union reminds us that real necessity makes international co-operation possible, although I readily concede that the setting of technical standards does not carry with it the same implications for cultural independence and national identity that do content standards.

So these then are the new technologies that Australian policy-makers are to come to terms with at the present time.