Anything, anywhere, anytime?

This annual conference started as an engineering forum more than a decade ago, under the auspices of the Australian Broadcasting Authority. During that time, the focus slowly shifted to broadcasting issues. The conference's scope was broadened this year to span telecommunications, broadcasting, radiocommunications and online content. This recognises the changing nature of the communications environment and the broader responsibilities of the new regulator.

The 2006 conference theme—Information Communications Entertainment (ICE)—highlighted that, in a digital age, information, communications and entertainment are all manifestations of the same thing: data, the essence of convergence.
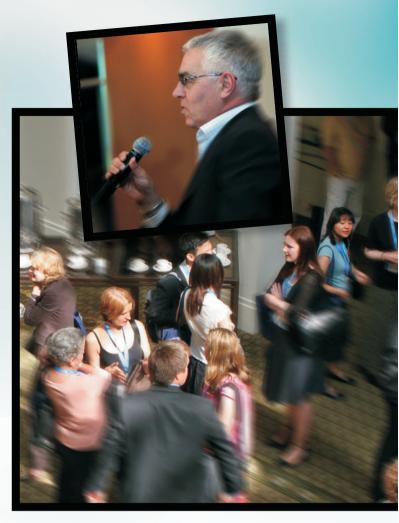
ACMA staged this conference to bring people together—they converged on Canberra for two days of discussion, learning and social engagements. And what a group it was—close to 450 delegates representing industry and consumer groups, government (both Australian and overseas) and educational institutions. As Chris Chapman said in his opening address, ACMA aimed to '... encourage the diverse range of interests and groups across the sector to understand each other and to continually review their ideas and activities within this dramatically changing, incredibly challenging communications environment.'

What a difference a year makes. Last year, 13 per cent of Australian households had adopted digital TV and the problem of digital migration seemed so insurmountable that it received little focus beyond the reporting of the latest survey. This year's numbers were more heartening—now 29 per cent have adopted digital. Last year, the talk of utopian digital media convergence was breathless and apocryphal—convergence had arrived and 'watch

out old media'. This year, as Chris Chapman emphasised, was the year that convergence had (finally) arrived, and the assertion was more convincing, even something of a fait accompli.

The policy issues were immediately chiselled in sharp and uncompromising relief by Communications Minister Senator Helen Coonan when she released the 'Digital Action Plan – Ready, Get Set, Go Digital', which highlights the need for new approaches to accelerate digital adoption in Australia. The minister also announced the setting up of a new body, called Digital Australia, to accelerate the transition.

Senator Coonan emphasised that the digital dividend, in the form of freed spectrum for new services, was important because mobile services provide a critical competitive spur in Australia's highly concentrated telecommunications industry. And as new mobile platforms and standards mature, the appetite of consumers for mobile, spectrum-hungry services seems ready to enter a new phase beyond voice and SMS communications.

But are consumers really ready? The first session, 'The Converged Business Model', was introduced by ACMA Deputy Chair Lyn Maddock and moderated by Derek Francis (UBS Investment Bank). It included presentations from representatives of the ABC (Mark Scott), ninemsn

(Mark Britt), Sensis (Chris Smith) and Macquarie Radio Network (Angela Clarke). If anything, this session showed that converged business models are emerging—each of these organisations is attempting to find new ways to strengthen customer relationships in sophisticated ways suggesting that the web and mobile platforms are tools of the old media brands, rather than a threat to them.

Next up, Richard Feasey gave an overview of the world from the perspective of a global mobile carrier facing maturing markets. Vodafone is targeting 10 per cent of revenues to come from 'non-core' services such as mobile TV, advertiser supported services and by extracting revenue from landline in the next three to four years. Feasey's message for regulators was that issues around phone numbers represent thorny conceptual and practical problems in the next few years as mobile devices switch between standard mobile networks, WiFi hotspots, VoIP

services and home-based, short-range mobile systems. When we dial a number that starts with '04' in Australia, we expect certain things in terms of cost, intrusiveness and access. For landline numbers we have different expectations. Exactly what kind of phone am I using when I'm sitting in my backyard connecting direct to a home pico-cell that is plugged into my broadband modem running over ADSL? More importantly, how should this service be charged, interconnected and regulated?

Feasey emphasised that a key objective of spectrum management should be to maximise the availability of spectrum arising from digital TV migration. Mobile carriers have had to climb the spectrum staircase up into higher and higher frequencies. Using these higher frequencies demands higher capital investments per user and Feasey believes that the industry's economics are becoming marginal. This point once again underscores the importance of the

digital dividend, although it should not be presumed that mobile telephony will be the best use for the spectrum when it becomes available. The highest bidder for such spectrum will have a business plan that might include, for example, wide area wireless broadband access. Nonetheless, Feasey's point that the digital dividend will be the only substantial chunk of spectrum suitable for mobile telephony likely to come on the market for the next 20 years gives cause for pause. How will this spectrum be allocated? What bidders will be allowed or disallowed? Should some of it be unlicensed? There are many issues to decide and the sooner the services start, the sooner consumers benefit.

The 'Digital Privacy' session was introduced by ACMA Member Chris Cheah and moderated by Professor Chris Puplick AM. Privacy Commissioner Karen Curtis pointed out that we are 'leaving a trail of information like never before '. Roger Clarke, Board Member of the

Australian Privacy Foundation, pointed out that it is the ' chilling of our behaviour ' that occurs, because we know we are being watched, that is the unseen cost of loss of privacy. Rob Edwards, CEO of the Australian Direct Marketing Association, argued that despite longer and bigger 'digital trails' for marketers, it is 'becoming a nightmare' to reach their customers. Falling newspaper readership and TV viewing—new generations are just not showing up for their lifetime of mass media consumption—are making life harder for the marketers rather than the proliferation of new channels making it easier, for now at least. To finish the session, Australian Law Reform Commissioner Associate Professor Les McCrimmon took the audience through the mammoth appraisal of privacy legislation currently under way.

One issue that emerged from the discussion that followed related to the increasing propensity of children and young people to publish personal information to the web, particularly

via blogs or social networking sites such as MySpace. Is this some kind of new generational openness or is it a technology-driven manifestation of children's lack of understanding of the need for privacy? Or is it simply, as one of the panellists suggested, that they're not old enough to have dark secrets?

The last session of the first day was a great closer. 'Digital Future', introduced and moderated by ACMA's Giles Tanner, featured Tom Loncar, Director, Eureka Strategic Research, who gave a forensically detailed account of the latest digital TV adoption survey. The headline jump from 13 to 29 per cent of households adopting seemed to raise the spirits of the audience. Lynley Marshall, Director of New Media and Digital Services at the ABC, nominated services as the driver of digital adoption, while Tim O'Keefe, representing the Australian Digital Suppliers Industry Forum, emphasised the gear. But the drivers of voluntary adoption were about to

take a back seat as Ross Honeywill, MD of Neo Group, presented his analysis of the digital adoption landscape. This presentation flipped the discussion away from the supply side (services and gear) and reportage of behaviour, to an analysis of the characteristics and motivations of customers. Eight million Australians are 'laggards', as he described them, and are not interested in digital television, while four million Australian are very interested and another 4.2 million will follow these leaders into digital adoption. There is a digital fault-line separating the two psychological types and different policy approaches will be required for each.

In this analysis, Honeywill is reporting about diffusion of technology. The most usual experience is that, even for very successful products, the 'adoption ceiling' is well short of 100 per cent. In the case of VCRs, for example, the peak adoption level was between 70 and 80 per cent and this is now

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probably declining. As Honeywill pointed out, it doesn't matter if adoption of VCRs was less than 100 per cent, but for digital TV it does. It's not that voluntary adoption will take a long time to get us to analog switch-off. It's that voluntary adoption will never get us to 100 per cent adoption.

With analog switch off and the increasing value of the digital dividend, ACMA is preparing for the years ahead.

Graeme Samuel, Chairman of the Australian Competition and Consumer Commission (ACCC), kicked off the second day with his discussion about the partnership approach between the ACCC and ACMA. His points about the subtle, mercurial ways that markets change as technology infiltrates are now familiar to ACCC watchers. It is enough to say that, given the sophistication of his approach and his focus on section 50 of the Trade Practices Act—'no substantial lessening of competition'—the competition test on media industry players will be incisive. Graeme Samuel made it clear that the ACCC would not act on speculation but,

when something substantial happened, would be the first in the ring.

The 'Media Literacy' session, introduced by ACMA's James Shaw and moderated by ACMA Member and Australian Film Television and Radio School (AFTRS) Director, Malcolm Long, provided a fascinating and diverse set of views on this elusive but important set of issues. Mark Pesce from AFTRS painted a picture of a world in which old hierarchical, one-way media structures are flattened into a network of interacting nodes where anyone, or perhaps everyone, becomes a collector, processor and disseminator of ideas, views and content. La Trobe University's Dr Susan Turnbull made abundantly clear the role of media in determining attitudes and even the concept of self, especially in children. Myra Pincott, Past National President of the Country Woman's Association, presented the problems faced by those who are in remote areas, or are disabled or aged in trying to get access to or make sense of new media services. Mike Walsh of Screenmedia described the young

tech-media literati, who he called 'The Naturals', who intuitively navigate the media-verse and who seek self-expression, even meaning, though the creation and sharing of content in a globe-spanning virtual world—'anything, anywhere, anytime'.

The session on regulatory philosophies and models, introduced and moderated by ACMA Member Chris Cheah, brought together regulators from Hong Kong, Malaysia and New Zealand. This session showed that media policy, although replete with common themes, is very much a horses-for-courses affair. For example, local content is a non-issue in Hong Kong but a big one in Malaysia.

In his keynote speech, Steve Vamos, Managing Director of Microsoft Australia, spoke about innovation and the work place in a connected world. His message was that flexibility in organisations (both in employees and managers) is beneficial in today's workplace, but will become vital in tomorrow's.

His speech led nicely into the closing session, 'The Home Entertainment Hub', introduced by ACMA's James Shaw and convened by Bruce Meagher of the SBS, which showed that the future of media gadgets is unlikely to dominated by one 'super digital device', but will rather be 'more of everything'. AFTRS's Gary Hayes pointed out that consumers will be not only consuming more media, but producing more, consuming in more environments—again 'anything, anywhere, anytime'. Alcatel's Geof Heydon made it clear that the world's communications infrastructure is a long way from being able to provide seamless high-bandwidth video services. If the world's households suddenly jumped from broadcast TV to IPTV, networks would grind to a halt. Simon Curry of Intel gave us a tantalising look at the new Intel Viiv product, while Matthew Purcell, The Silicon Kid from The Canberra Times, explained his role as explainer of technology and peeped into an internet-based future.

There are many road bumps on the

way to digital nirvana—skinny pipes, crowded spectrum, regulatory conundrums, copyright conflicts, privacy concerns and intransigent 'laggards', to name a few.

The most looming issue—digital migration—got bigger the more it was mentioned. Digital migration is often compared with the introduction of colour TV into Australia. But it's a much bigger set of events. The public communications exercise, especially for those inconvenient 'laggards', is a daunting task on a par with the change to decimal currency and the metric system.

In closing, Chris Chapman, referred to ACMA's two principal aims in staging the conference:

- to break down the barriers that exist within industry and encourage greater discussion on a whole range of issues, and
- to lead the way in offering an intellectual and social environment for breaking down walls and bringing people together to encourage dialogue and the lively exchange of ideas.

'The breaking down of barriers is manifestly symbolic also of convergence in the media and communications sector generally. Digitisation is inexorably dismantling the bricks and mortar of traditional distinctions and assumptions of old ways and habits,' he told the audience.

'This breaking down of barriers is symbolised in the coming together at this conference of representatives from industry, government and the community, from the various states of Australia and from overseas. Over the past two days, we have certainly been reminded yet again how quickly convergence is unfolding and how it will be an increasingly important feature of the media and communications landscape and one that we here at ACMA are closely focused on.'

This overview was prepared with the assistance of Simon Molloy of Systems Knowledge Concepts Pty Ltd.