The opportunities and implications of new and converging technologies and applications

SPEECH BY CHRIS CHAPMAN TO THE ADVERTISING FEDERATION OF AUSTRALIA, 7 JUNE 2006

Thank you to the AFA for its invitation. It's a significant opportunity for … me to 'present my credentials' … to you, the professionals who deliver ever-broadening advertising services and advices to your clients, the ultimate underwriters of the commercial component of our vibrant media and broadcasting community.

I've spent a lot of my professional time in commercial television, although my path to the senior ranks of the Seven Network was not through the more typical sales stream, but through legal and business affairs and television operations …

What I did 'get' at an early stage … was that the broadcasters' customers/clients were not viewers ('the punters'), but advertising agencies and their clients. The aggregation of punters of different demographics and socio-economics, at different times, in sufficient

numbers and, in all the stakeholders' interests, on a sustainable basis, was the 'sprat to catch the mackerel', as my old boss at Seven, Ted Thomas used to say. What I also got … was the need to transform the commercial free-to-air broadcasters' business models and overhaul its operational dexterity.

New approach to consumer consultation

ACMA's new consumer consultation framework adopts a multi-strand approach, including a revised and reconstituted Consumer Consultative Forum (CCF) that brings together representatives of consumer, industry and regulatory bodies to discuss issues affecting consumers.

The new CCF is one method ACMA will use to gather consumer and community perspectives on communications issues. ACMA is looking for participants with a broad interest in issues affecting Australian consumers of communications services, such as user organisations or academics and researchers with an interest in consumer issues.

The CCF will be supplemented by a list of specialist experts. ACMA is seeking expressions of interest from people and organisations with expertise in particular consumer-related subject areas or groups, such as people with a disability, youth, seniors, Indigenous people, people with a low income or people in rural and remote areas.

ACMA will also continue its usual public consultative processes to seek specific input and advice on issues being considered by the Authority.

Section 59 of the *Australian Communications and Media Authority Act 2005* requires ACMA to establish a Consumer Consultative Forum to assist it to perform its functions in relation to matters affecting consumers. Similar bodies were established by ACMA's predecessor organisations. ACMA is able to, from time to time, appoint persons to the forum.

ACMA wants its new CCF to have a balanced membership of workable size that allows representatives of key consumer sectors the opportunity to discuss issues with representatives of industry organisations, regulators and policy makers. ACMA will convene the forum twice a year and will also hold an annual consumer conference co-sponsored by the Australian Communications Industry Forum.

For more information, contact ACMA's Codes, Content and Education Branch by email to Rebecca.Symons@acma.gov.au. Expressions of interest for participation in the CCF and the specialist expert list close on 31 July 2006.

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... Fifty years ago, television was the new medium. By then, Leo Burnett's earlier comment in 1936 may already have sounded dated:

Advertising is the ability to sense, interpret ... to put the very heart-throbs of a business into type, paper and ink.

Type, paper and ink. What a simple world it seems to us now, when there was just type, paper and ink, … as we navigate the 'permanent whitewater' of this communications world into a fully meshed convergent one, driven by digitalisation, the internet protocol, the advances in supportive technologies and phenomena like Moore's law. The AFA (and its members) and ACMA share the simple construct that I highlighted— that's my first principal observation.

Let's test that proposition and mention just a few of some very recent developments like:

- Google is placing video ads on websites
- iPods and MP3 players, personal video recorders and digital video recorders, and services such as IceTV are changing the ways we listen to music and the radio, and watch TV, and, as you are acutely aware, how advertisements are, or are not, included
- IPTV is on our doorstep
- video-on-demand is here
- split-screen advertising and interactive advertising, online games, virtual worlds populated with avatars are here
- our phones have become cameras, TV receivers and internet connections, and
- (an obscure one that recently took my fancy) a marketing firm announced it would use GPS technology to collect data using its fleet of pamphlet deliverers to provide information on the homes they

walk past for potential follow-up business opportunities, for example, does the house need painting, does the garden need some TLC?

So, you have a few pressures for change! Which media will deliver you requisite quantum, demographics, disposition, measurability, sustainability and cost effectiveness to satisfy your client's business needs? I assume you have a clear, shared vision … only you will know whether it's broad and deep enough.

In reflecting on this from ACMA's perspective, let me mention some of the technology and phenomena heightening those pressures:

- improving broadband access technologies
- improving data transmission capabilities – including further developments in multiplexing, encoding and compression
- the digitisation of everything and the use of IP-based technologies with a concerted drive to achieve IP-based networks standardisation
- improving digital rights management technologies
- quantum improvements in display technologies
- digital home entertainment hubs and the use of wireless platforms so that content can be configured by the viewer/consumer
- continuing massive increases in processor power—Moore's Law (the doubling of computer power every 18 months) has held for 30 years and, I'm reliably advised, has at least another 10 years to run, and that's just on the current silicon technologies, and
- growing confidence in emerging nanotechnology and its likely pervasive effects on

computing and communications, and its role in development of next-generation portable communications devices.

So, here's my second principal observation: just as these new and exciting technologies and opportunities continue to drive change in your world, they also throw up challenges for us as the regulator … ranging over the broadcasting, telecommunications, radiocommunications and internet worlds.

WHAT IS ACMA'S RELEVANCE TO THE AFA AND ITS MEMBERS?

Apart from being driven by the same convergence-underpinning technologies, we have common ground on even more specific fronts as our regulatory influence extends to advertising and related matters:
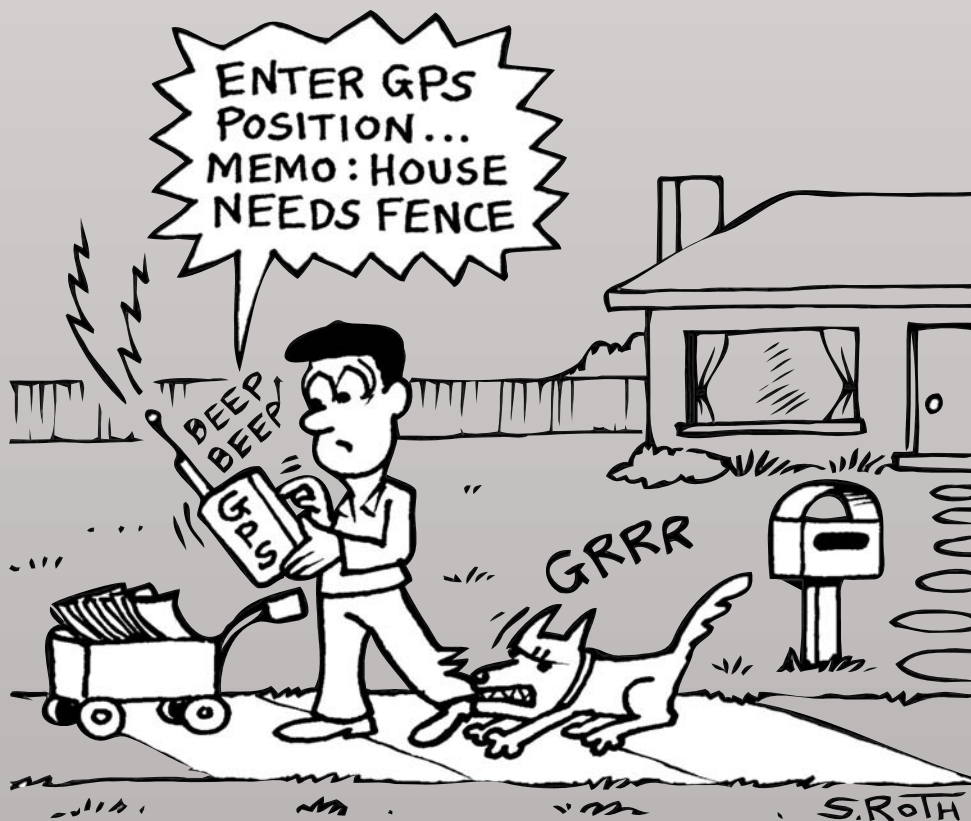
- advertising in children's television
- the amount of Australian content in television ads
- the mix of legislative restrictions and obligations and codes of practice for television and radio services, and the suitability of the framework it gives rise to …
- e-marketing
- internet content
- mobile and fixed telecommunications—their convergence and our role in facilitating it seamlessly
- spam—we recently launched the spamMATTERS reporting button, which … will hopefully contribute internationally to a growth of confidence in the safety and utility of the internet, and
- the Do Not Call register.

Some of you may remember the early 1990s, when the communications world consisted of, in effect, two simple silos. The telephone was about copper wire and broadcasting was analog, terrestrial and free. We now have a spaghetti junction, a seemingly confusing jumble.

Stage 1 was dead simple; Stage 2 we can grasp—but it's messy. The challenge is to know what Stage 3 might look like and how it might work. It could be a world that puts the internet in the middle, has a whole range of hardware and software platforms, applications and services around the outside, and then shifts the focus onto the reasons why people are using communications services, because the technologies are increasingly becoming embedded in user environments.

You end up with:

- one protocol (aided and abetted by spectrum whose utility has been expanded by new technologies and enhanced spectrum management philosophies and techniques)

- multiple platforms
- multiple applications
- multiple players and service providers
- multiple creative, production, marketing, distribution and digital techniques to either further underwrite and/or re-establish the relevance of advertising to fragmented consumers who are increasingly personalising their media
- multiple customers and
- emerging aggregators and enablers.

As Stage 2 crystallised … one response of the government to these dynamics, these pressures for change, was to create ACMA last July through a merger of two spectrum regulators—the Australian Broadcasting Authority and the Australian Communications Authority.

An important exemplar of the implications of the blurring boundaries of this emerging new world was the spread of audio-visual content to mobile phones—raising content regulation issues in the telecommunications sphere, traditionally the province of the broadcasting regulator.

Developments in technology are relentlessly driving change and [require] a strong regulator with the capacity and flexibility to respond quickly to a rapidly converging communications environment, a willingness to fully enforce the rules and yet have the confidence and smarts to do so in a meaningfully targeted way ... We are also conscious of the need to maintain the integrity of the regulatory framework for current services ... But it is also important for us not to stifle innovation through an approach that says 'that's the way it's always been done before' because we, too, were afraid to 'paradigm bust'.

… we are mandated to do the

opposite—to be responsive to industry, audience and consumer needs. And responsiveness is premised on the capacity for change, on freshness and eternal preparedness—our own version of a re-engineering of thinking. That's why we must continually scan the horizon … and start developing potential responses for vigorous 'workshopping' with stakeholders before issues and opportunities become problems and we lose the confidence and trust of those same stakeholders.

We are also working on other areas that affect you even more directly, arising from our own re-engineering of thinking. We are undertaking two important pieces of work that should help inform us about this new world, so we can reflect it in our approach.

CHILDREN'S TELEVISION STANDARDS REVIEW

Last December we announced that we were reviewing the Children's Television Standards—one of the cornerstones of our regulation of children's use of the media. These standards have been in effect since 1990, when the internet was not on the policy radar SMS-ing your friends was unknown, home PCs were rare and children receiving video programming on mobile phones was science fiction.

…This is an area of obvious interest to you, not just because of the debate about childhood obesity and the effect of advertising, but more generally because advertising, quite simply, funds commercial (and to a more limited extent, other) television.

… It is crucial that the changes that have been occurring are properly examined and analysed to provide a good base and breadth of evidence to underpin the discussion. We are

analysing audience figures to give us hard data, reviewing the research base on the issue of television advertising directed to children and reviewing how other countries regulate children's programming.

MEDIA AND SOCIETY RESEARCH

A second piece of work will ultimately feed into this. The government recently asked ACMA to oversee a research project on the long-term psychological effect of the media on children, families and society. Provisionally titled 'Media and Society', the project is to be completed by July 2007. In this study, we may well focus on the psycho-social context of media consumption in Australian family homes … drawing out long-terms trends.

… the proposed study would address mainstream audio-visual electronic media, together with new media and technologies. To name just a few: even more realistic computer/console games, multi-player online gaming, iPods, content on mobile phones, SMS and instant messaging, and DIY media such as blogs and social networking websites.

… My third observation for you today is that regulatory solutions that are not platform-specific may well be needed in response to the likely explosion of platforms for content.

You can play an important role in public policy developments in our formal consultations and informal discussions, as well as a leading role in prosecuting solutions. I look forward to your contributions.

The full text of Mr Chapman's speech is on the ACMA website at www.acma.gov.au (go to ACMA > Speeches).