Aust

Australian Government

Department of Communications and the Arts

## Captioning regulatory framework

## **Policy consultation paper**

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## Context

The Australian Government is committed to ensuring all Australians are able to access media services including television services. Captioning regulations have ensured a growing level of captioned programmes are available on free-to-air and subscription television channels. At the same time, the Government aims to reduce the regulatory burden on industry to encourage innovation and boost productivity across the economy. Although some degree of regulation can be an essential element of efficient markets, excessive and unnecessary regulation can reduce productivity and investment and stifle growth.

The Government considers that there is substantial opportunity for reducing the regulatory costs of business in the communications sector, while maintaining important and enduring outcomes for the Australian community. In relation to captioning, this means finding the right balance that ensures that the benefits to consumers are not reduced, but the efficiency of achieving those benefits is increased. This will have positive results for both industry and consumers.

### Scope

In late 2013 the former Minister for Communications invited stakeholders to advise on areas where regulation could be improved or was unnecessary. The Department received a number of submissions that highlighted areas where regulation could be better targeted. Areas identified for potential improvement included the captioning regulatory framework that applies to free-to-air commercial and national (FTA) television broadcasters and subscription television (STV) licensees.<sup>1</sup> Stakeholder submissions on this issue highlighted that while the captioning regime is working well in ensuring access to high quality television services for hearing-impaired viewers, there was a number of improvements that could be made to streamline reporting requirements and to increase flexibility for broadcasters to which captioning obligations apply in the way they are able to meet their captioning obligations.

In its initial response to stakeholder concerns about the captioning regulatory framework, the Government developed a range of amendments to broadcasting and communications regulation. The amendments included those provided for under the *Broadcasting and Other Legislation Amendment (Deregulation) Act 2015* (Deregulation Act), which was passed by the Commonwealth Parliament in March 2015. The amendments to the captioning regulatory framework were developed in consultation with industry and media access stakeholders and include:

- providing STV licensees with greater flexibility in meeting certain captioning obligations, including:
  - the ability to average sports channel captioning targets across a group of sports channels, where they are provided by the same channel provider,

<sup>&</sup>lt;sup>1</sup> In the case of free-to-air (FTA) television, the captioning rules provided at Part 9D of the *Broadcasting Services Act 1992* (BSA) apply specifically to commercial television broadcasting licensees (e.g. commercial networks such as Seven, Nine and Ten) and the national broadcasters (the ABC and SBS). Consequently references in this paper to 'FTA television broadcasters' refer to these broadcasters specifically and do not include other broadcasters, such as community broadcasters or open narrowcasters. In the case of subscription television (STV), the Part 9D provisions apply to STV broadcasters and STV narrowcasters, and as such references in this paper to 'STV licensees' are specifically to these service providers.

- better targeting of repeat captioning requirements, and
- automatically exempting new subscription television channels from meeting captioning targets for a minimum of 12 months;
- providing an opportunity to review the captioning quality standards (particularly in relation to live programmes) without compromising on the quality of captioning services expected;
- introducing a new, better-tailored, record-keeping framework;
- extending application deadlines for exemption or target reduction orders to the Australian Communications and Media Authority (ACMA) by three months;
- extending the deadline for a statutory review of the captioning regulatory framework by the ACMA by one year to 31 December 2016; and
- cleaning up and simplifying a number of spent or complex provisions in the *Broadcasting Services Act* 1992 (BSA).

The reforms introduced by the Deregulation Act aim to reduce the regulatory burden on industry and improve the captioning regulatory framework. However, while the Deregulation Act addresses some of the key stakeholder concerns, due to the timeframes involved in its preparation it was not developed to address all issues raised by stakeholders in relation to the captioning regulatory framework. Other issues identified as requiring further consideration include the level of complexity in existing captioning quota arrangements, the appropriateness of captioning compliance annual reporting requirements and the consistency in outcomes produced by captioning regulation.

This paper seeks to facilitate discussion about aspects of the captioning regulatory framework that have previously been identified as potentially requiring reform, and that were not addressed by the Deregulation Act. The paper outlines the key issues that have been identified or raised by stakeholders, and describes possible response options for addressing a range of these issues. However, it is important to note that this paper does not aim to suggest preferred approaches, or to make specific recommendations. The Department welcomes feedback on all issues raised in this paper.

The paper discusses captioning regulation as it applies to FTA broadcasters and STV licensees. Services delivered via online platforms or technologies are generally out of scope of this paper.

There are also a number of issues raised by stakeholders such as captioning obligations for commercial regional broadcasters, removing repeat requirements for the STV services and the treatment of captioning breaches that are not included within the scope of this paper. A statutory review of Part 9D of the BSA must take place by 31 December 2016 and it is considered that many of these issues should be reviewed in this context. A summary of the issues considered outside the scope of this paper is at Attachment A.

Submissions on the issues and options raised in this paper are invited by 5.00pm (AEST) Friday 29 January 2016.

To make a submission, please email accessibility@communications.gov.au or write to: The Manager, Communications Accessibility, PO Box 13310, Law Courts, Melbourne VIC 8010.

If you would like your submission to be kept confidential, please note this in making your submission.

## 1. A brief history of television captioning regulation

Television captioning is the presentation of the audio component of audio-visual content as text on screen. It is an important feature that supports access to television services by people who are hearing-impaired.<sup>2</sup>



Prior to 2012, key legislation relevant to television captioning included both the BSA and the *Disability and Discrimination Act 1992* (DDA). Particular captioning obligations, including captioning targets for FTA television broadcasters, were set out in the BSA, while the DDA, which makes disability discrimination unlawful and aims to promote equal opportunity and access for people with a disability, included television captioning within the scope of its exemption process. This provided for the Australian Human Rights Commission to grant broadcasters, on application, temporary exemptions from having to meet certain DDA requirements—for instance providing a captioning service—where it would impose unjustifiable hardship on a broadcaster.

In 2012, the *Broadcasting Services Amendment (Improved Access to Television Services) Act 2012* introduced Part 9D, which consolidated captioning regulation in the BSA. Objectives of introducing Part 9D included to promote greater access to media for people with a hearing impairment and to introduce and increase captioning targets in the BSA, including for STV licensees who had previously been outside the arrangements.<sup>3</sup> Part 9D is prescribed under the DDA meaning that with its introduction broadcasters acting in compliance with their captioning obligations under the BSA are exempt from further action for unlawful discrimination in relation to captioning under the DDA.

<sup>&</sup>lt;sup>2</sup> The Australian Bureau of Statistics has identified that more than two million people reported suffering from complete or partial hearing loss in 2007-08. See ABS catalogue 1301.0 – Year Book Australia, 2012.

<sup>&</sup>lt;sup>3</sup> See Explanatory Memorandum to Broadcasting Services Amendment (Improved Access to Television Services) Bill 2012, available at <a href="http://www.aph.gov.au/Parliamentary\_Business/Bills\_Legislation/Bills\_Search\_Results/Result?bld=r4836">www.aph.gov.au/Parliamentary\_Business/Bills\_Legislation/Bills\_Search\_Results/Result?bld=r4836</a>

The rules provided at Part 9D of the BSA mandate captioning targets and associated record-keeping and reporting requirements, and set out a framework for the ACMA to determine captioning quality. Compliance with the Part 9D captioning obligations is a licence condition for commercial free-to-air and subscription television licensees, and a legal requirement for national broadcasters.<sup>4</sup>

In addition to the captioning obligations provided at Part 9D of the BSA, specific captioning obligations are set out in the codes of practice developed by the STV industry, in consultation with the ACMA. Industry codes of practice cover programme content that is of concern to the community, and provide methods for handling complaints.

Section 2.4 of the Subscription Broadcast Television Codes of Practice 2013 and section 1.10 of the Subscription Narrowcast Television Code of Practice 2013, are available on the website of peak body the <u>Australian Subscription Television and Radio Association</u>. These codes include requirements for STV licensees to identify which of their programmes have captions in television guides.

Both national broadcasters have removed specific captioning requirements from their codes of practice. From 1 December 2015, the <u>Commercial Television Industry Code of Practice 2015</u> comes into effect. The new code also no longer contains specific captioning requirements.

 $<sup>^{4}</sup>$  Clauses 7(1) (o), and 10(1) (eb) of Schedule 2 to the BSA.

## 2. The captioning regulatory framework—overview

Key requirements of the captioning regulatory framework are outlined below.

#### Captioning targets

Part 9D of the BSA requires relevant FTA broadcasters and STV licensees to meet specified captioning targets. This helps ensure that a minimum level of captioned content is provided to television viewers. Different captioning targets apply to television services depending on their delivery platform.

**FTA broadcasters**: are required to provide a captioning service for 100 per cent of all non-exempt<sup>5</sup> programmes transmitted on their primary channel from 6am to midnight, and for news or current affairs programmes transmitted at any time on that channel. For programmes broadcast on a multichannel, these must be captioned if they have previously been transmitted with captions by the broadcaster on their primary channel.

**STV licensees**: are subject to targets that differ according to specified categories defined according to the dominant genre or type of programming (e.g. movie, general entertainment, news, sports or music). For instance in 2015–16 movie service targets are between 50 – 80 per cent of total programming on each service, while general entertainment services are between 30 – 60 per cent on each service.<sup>6</sup> The captioning obligations for STV licensees operate over a 24-hour period, unlike the arrangements for FTA broadcasters which for their primary channels operate primarily over an 18-hour period. The captioning targets set out in the BSA for subscription services will continue to progressively increase over time until they reach 100 per cent of programming between 1 July 2019 and 1 July 2033 for each category of service on all non-exempt services.

#### **Emergency warnings**

All relevant broadcasters are required to transmit emergency warnings in speech and text at the request of an emergency service agency. These broadcasters are also required to provide a captioning service for the emergency warning where reasonably practicable.

<sup>&</sup>lt;sup>5</sup> Some television programming is exempt from captioning obligations, including television programmes that are not in English or mainly not in English (see s130ZM and s130ZN of the BSA). Additionally, under s130ZO, some parts of a programme do not require captioning, e.g. non-vocal music-only programmes and incidental or background music.

<sup>&</sup>lt;sup>6</sup> The STV captioning targets are provided at s130ZV of the BSA. They are outlined at **Attachment B** of this paper.

#### Captioning quality

The captioning regulatory framework ensures that captioning services are of a high standard by requiring the ACMA to determine a <u>Television Captioning Standard</u> (the Standard) by which captioning quality can be assessed. The Standard, which came into effect on 5 June 2013, requires captions to be readable, accurate and comprehensible, so that they are meaningful to viewers. All FTA broadcasters and STV licensees must comply with the Standard. As a result of the Deregulation Act, the ACMA is required to review the Standard to consider the differences between captioning live and pre-recorded programmes by 19 March 2016. The ACMA has released a discussion paper as part of the review, seeking submissions by 18 December 2015.<sup>7</sup>

#### Captioning compliance reporting and record-keeping

Relevant broadcasters are required to provide annual captioning compliance reports within 90 days of the end of the relevant financial year. These broadcasters are also required to retain written and audio-visual compliance records for a specified time, and make these available to the ACMA on request. The ACMA publishes annual compliance results on its website.

The regulatory framework provides that some programming is automatically exempt from captioning obligations, while other programming may be subject to reduced captioning targets. There are a range of conditions in which exemptions or reduced captioning targets may apply, or be granted by the ACMA. These are described below.

- For qualifying services, on application the ACMA may grant FTA television broadcasters and STV licensees an exemption from the captioning target obligation, or a reduced captioning target, where the regulator is satisfied that requiring the relevant broadcaster to provide captions for the service would impose unjustifiable hardship<sup>8</sup> (e.g. where a broadcaster will experience hardship if required to provide captioning for a particular service, because of the broadcaster's small subscriber base and financial circumstances).
- Where an STV licensee provides a minimum number of services of a particular genre, they can nominate additional services of that genre to be exempted from captioning obligations.<sup>9</sup> For instance if an STV licensee provides more than 11 movie services in a financial year and meets the captioning targets for at least 11 movie services in that year, they can nominate a set percentage of additional movie services for exemption from the captioning target obligation for that financial year. In the 2015–16 financial year that percentage is 80 per cent—that is 80 per cent of additional services will be exempt.

<sup>9</sup> See s 130ZX of the BSA.

<sup>&</sup>lt;sup>7</sup> The transitional provision for s130ZZA, specified in the *Broadcasting and Other Legislation Amendment (Deregulation) Act* 2015 (Deregulation Act), requires the ACMA to review (and vary the Standard as appropriate) within 12 months of the commencement of the section. The ACMA's discussion paper is available on its website at <a href="http://acma.gov.au/theACMA/Consultations/Consultations/Current/review-of-tv-captioning-standard">http://acma.gov.au/theACMA/Consultations/Current/review-of-tv-captioning-standard</a>.

<sup>&</sup>lt;sup>8</sup> See s 130ZUA (applies to FTA services) and s130ZY (applies to STV services) of the BSA.

The number of services in each of the relevant genres that are eligible to be nominated are:

- More than 11 subscription television movie services.
- More than 43 subscription television general entertainment services.
- More than 3 subscription television news services.
- More than 7 subscription television sports services.
- More than 6 subscription television music services.

#### Captioning complaints

The captioning regulatory framework provides different means for viewers to lodge complaints about broadcasters' failure to comply with captioning obligations. Viewers are able to complain about a range of captioning issues, including the quality of captions, the lack of captions, and the publication of programme schedule information of captioned services. Depending on the nature of the complaint and the platform over which the relevant programming was delivered, there are different complaints processes to follow, as described below.

- For complaints about technical problems, such as captions dropping in and out, viewers are expected to contact the relevant broadcaster directly in the first instance.
- For complaints about the quality of captions, or lack of captions, during a programme broadcast on commercial FTA or subscription television, viewers can <u>complain directly to the ACMA</u>.
- For complaints about an issue covered by an industry Code of Practice, <sup>10</sup> such as indication of captioning in a television guide, a viewer is expected to complain to the broadcaster within 30 days of the broadcast. If the complainant does not receive a response within 60 days, or is not satisfied with the response, the complaint can then be referred to the ACMA.
- For complaints about captions on programming broadcast by the ABC or SBS, a viewer is expected to write directly to the relevant broadcaster within six weeks of the broadcast. For either the ABC or SBS, if the complainant doesn't receive a response within 30 days, or isn't satisfied with the response, the complaint can then be referred to the ACMA.

<sup>&</sup>lt;sup>10</sup> Only the Subscription Broadcast Television Codes of Practice 2013 and the Subscription Narrowcast Television Code of Practice 2013 contain captioning requirements. The new Commercial Television Industry Code of Practice that comes into effect 1 December 2015 no longer contains specific captioning requirements.

#### Mechanisms to support captioning compliance

The captioning regulatory framework includes strong incentives for broadcasters to meet their captioning obligations. The ACMA can investigate genuine captioning complaints and where it identifies issues of concern, including where it sees a systemic problem with the performance of a broadcaster, it will consider a range of responses to ensure broadcaster compliance. Responses can include requiring FTA broadcasters or STV licensees to implement additional procedures to improve quality, or formal measures such as enforceable undertakings, and remedial directions.<sup>11</sup>

## 3. Captioning regulation issues and options for reform

In submissions to the Government's deregulation agenda, stakeholders have indicated that there are some areas of the captioning regulatory framework described above that could be improved for both industry and for television viewers. The Deregulation Act was developed to address some of these issues, however others require further consideration, and these are discussed in this chapter. As noted earlier, consideration of these issues requires assessing the balance between supporting consumers by maintaining captioning levels, but increasing the efficiency of delivery by industry.

#### a) Annual captioning compliance reporting requirements

As outlined in chapter 2, FTA broadcasters, and STV licensees, are required to provide the ACMA with a report relating to their compliance with relevant captioning obligations for each financial year. Annual compliance reports for 2012–13 and 2013–14 included details of all breaches of the captioning targets and other captioning obligations, irrespective of the significance of the breach. The reports also included summaries of the processes in place to ensure compliance with the Captioning Quality Standard. The reports are required to be provided no later than 90 days following the end of the financial year, i.e. by 28 September following the relevant financial year.

Since the passage of the Deregulation Act, the ACMA has consulted with FTA broadcasters and STV licensees to streamline compliance reporting arrangements and decrease the reporting burden on industry. The new streamlined forms focus on the level of captioning achieved and if broadcasters have not met their targets, the reasons and the processes and procedures taken by broadcasters to ensure compliance. The forms will come into effect for reporting on the 2014–15 financial year. <sup>12</sup>

<sup>&</sup>lt;sup>11</sup> The ACMA may informally agree to accept measures by the broadcasters to improve compliance with the BSA. For more formal measures, Part 10 of the BSA sets out remedies for breaches of licensing provisions, while Part 14D sets out the ACMA's role in accepting undertakings, and enforcing undertakings.

<sup>&</sup>lt;sup>12</sup> The revised compliance forms are available at <u>www.acma.gov.au/theACMA/Library/Corporate-library/Forms-and-</u> <u>registers/broadcasting-forms-spectrum-for-broadcasters-acma</u>. Please refer to ACMA Revised CAP05 (for FTA broadcasters) and ACMA Revised CAP06 (for STV licensees).

#### **FTA broadcasters**

There are strong arguments to support the repeal of annual compliance reporting currently required of FTA broadcasters.

A range of shortcomings have been identified in the current arrangements for providing annual reports. The identified shortcomings in requiring annual reports include:

- They do not aid viewer transparency: FTA broadcasters are required to caption 100 per cent of programming transmitted from 6am to midnight on primary channels, and for news and current affairs programmes transmitted on primary channels at any time. Consequently it is clear to viewers when services do not meet captioning requirements on a primary channel. Additionally, it can be months after a programme of concern was broadcast before a compliance report is published, rendering them of limited relevance to viewers wanting to know whether a particular programme should have been captioned. Viewers may prefer that feedback be provided to broadcasters or to the regulator immediately as it facilitates remedial action being undertaken quickly (e.g. for replays of the affected content).
- They provide limited incentive for FTA broadcasters to comply with their captioning obligations. As noted earlier in this paper, relevant television broadcasters are subject to a strong and effective compliance framework that does not depend on the provision of annual reports for its effectiveness. Results are only available for two reporting cycles to date, however the ACMA has reported a high level of compliance with the captioning target requirements. For 2012–13 the ACMA reported 100 per cent of FTA broadcasters having achieved their annual captioning target, while in 2013–14 all FTA commercial television broadcasters, and the SBS, were reported to have exceeded the captioning target for their main television service, with the ABC having failed to meet the target by approximately one per cent.
- **They add unnecessary administrative burden**: Allocating resources to preparing and reviewing annual captioning compliance reports is a cost imposed on both industry and the regulator, and as noted above it is a cost that does not yield clear commensurate benefits, including for viewers.

#### **Subscription television licensees**

In the STV sector, a range of different captioning targets below 100 per cent apply across different channels, and as noted above different targets also apply to different categories of service within two genres of programming (Movies and General Entertainment genres). STV licensees can also apply to exempt some STV services from the captioning target obligation or to have captioning targets reduced. Consequently it is difficult for viewers to determine how much of a specific channel will be captioned in a given financial year even if daily or weekly TV guides generally indicate which particular programmes will be captioned.

Consistent with the deregulation agenda, annual reports required of FTA broadcasters could be streamlined or reformed. For the same reasons as outlined for FTA broadcasters, annual compliance reports provide little additional incentive for STV licensees to comply with their obligations while imposing significant administrative burden on these providers.

It is also reasonable for hearing-impaired viewers who are contemplating subscribing to a channel or STV service to expect to have this information to hand before committing to a particular provider. While annual reports may be used by viewers to get an idea of what services are likely to be captioned, the annual compliance reporting arrangements do not provide a useful mechanism for ascertaining how much captioning will be provided on each service given their retrospective nature.

Due to the complexity of STV captioning arrangements, and the resulting limited viewer transparency in terms of which particular channels provide captioned content and how much captioned content they provide, it is proposed that any of the options outlined below would be implemented in conjunction with amendments to improve viewer transparency for the STV sector. Such amendments could include introducing a channel plan for STV services, an option which is discussed further below in section *d*) captioning obligations for the STV sector.

#### **Deregulatory response options**

#### Option 1: Remove annual captioning compliance reporting requirement for FTA broadcasters

Under this option, the BSA could be amended such that broadcasters were no longer required to provide annual captioning compliance reports.<sup>13</sup> The existing complaints arrangements would be retained and, along with other existing mechanisms in the BSA, would serve as the basis for ensuring compliance with captioning obligations.

This option would effectively turn enforcement into a complaints-based model. Given FTA broadcasters are required to caption 100 per cent of non-exempt programming, it is relatively simple for the viewer to determine whether obligations have been met. Contacting the broadcasters in the first instance to seek a resolution rather than an annual compliance report that may be months after the fact is also likely to provide a better outcome for the viewer. ACMA would still retain its existing functions to investigate complaints and its existing powers to initiate investigations as required.

Some stakeholders have suggested that if this option were pursued, an additional requirement should be established in conjunction, wherein broadcasters must effectively promote captioning availability and relevant complaints mechanisms.<sup>14</sup>

Issues for consideration in relation to this option:

- The extent to which transparency in the availability of captioned programming could be affected.
- The extent to which remaining mechanisms for monitoring captioning compliance are appropriate in serving viewer needs.

<sup>&</sup>lt;sup>13</sup> The annual reporting requirement is contained in section 130ZZC of the BSA.

<sup>&</sup>lt;sup>14</sup> See submission by Communications Law Centre to the Senate Committee Inquiry at <u>www.aph.gov.au/Parliamentary Business/Committees/Senate/Environment and Communications/Broadcasting Deregulati</u> <u>on/Submissions</u>

#### Option 2: For STV services, allow compliance reports to be provided by channel providers

Under this option, the ACMA would be able to accept captioning compliance reports from channel providers (and part channel providers), which would reduce the regulatory burden on relevant licensees. It would also support a reduction in unnecessary or duplicative reporting, as a channel provider could provide a single report on programming it provided to multiple licensees, instead of those multiple licensees each providing a report on the same programming.

#### Option 3: No change to current arrangements

Under this option there would be no change to existing annual compliance reporting requirements provided for in Part 9D of the BSA. Existing arrangements would be retained to support captioning compliance monitoring, including complaints processes and annual reporting arrangements.

#### b) Emergency warnings captioning obligations

Television plays an important role in supporting the communication of emergency warnings. Emergency warnings requirements apply uniformly across relevant FTA broadcasters and STV licensees. The BSA requires that if a broadcaster, at the request of an emergency service agency, transmits an emergency service warning on any of its television broadcasting services, the broadcaster must:

- a) Transmit the whole of the warning in:
  - i. The form of text; and
  - ii. The form of speech; and
- b) If it is reasonably practicable to do so—provide a captioning service for the emergency warning.

Emergency warnings must be provided in text – the intention of the legislation as it relates to captioning is to also require, where possible, the captioning of associated verbal commentary.

#### **Deregulatory response options**

#### Option 1: Remove reporting and/or record-keeping requirements for emergency service warnings

As the requirement under Part 9D of the BSA requires emergency warnings to be provided in text and speech, and to caption only where reasonably practicable to do so, the reporting and record-keeping obligations may be of only marginal benefit to viewers or the ACMA. If the record-keeping requirements were removed, this would not relieve broadcasters of the responsibility to caption emergency warnings where reasonably practicable.

As part of the reforms to streamline compliance reporting, the ACMA has simplified the annual captioning report forms to remove the requirement for broadcasters to report specifically on emergency warnings.

Some stakeholders have raised concerns that record-keeping requirements for emergency warnings are unduly burdensome and disproportionate to any benefit derived. The Deregulation Act reduced the recordkeeping requirements for captioning. However completely removing record-keeping requirements with respect to emergency warnings may not provide ACMA with the ability to investigate complaints adequately and conduct its own investigations where it suspects systemic failures in compliance. Issues for consideration in relation to this option:

- Emergency warnings would still be required to be provided in both speech and text.
- Broadcasters would still be required to caption emergency warnings where reasonably practicable to do so this applies to the commentary accompanying the warning.
- Are there purposes other than compliance that records may be required for?
- How does a streamlined reporting and records keeping regime ensure that the ACMA retains ability to undertake its compliance functions?

#### Option 2: No change to existing arrangements

Under this option, the existing reporting and record keeping requirements would continue to operate as they currently do.

#### c) Other stakeholder proposals—regulatory measures for the FTA sector

Submissions to the Government's deregulation agenda set out a range of views on how the captioning regulatory framework could be improved for FTA television services, and these views helped inform the development of the Deregulation Act. A significant issue that was not addressed in the Deregulation Act was proposals to reform how captioning targets apply to the FTA sector, in particular FTA multichannels.

Captioning requirements for FTA broadcasters vary depending on the service a programme is delivered on (e.g. a primary channel or multichannel), the time a programme is broadcast (e.g. whether or not it is transmitted between 6am and midnight) and according to the genre of a programme (e.g. whether or not it is news and current affairs).<sup>15</sup>

While the requirement to caption 100 per cent of programming from 6am to midnight has significantly improved viewer transparency on primary channels, stakeholders have raised concerns regarding the transparency and complexity of the remaining FTA captioning target obligations, particularly in relation to FTA multichannels and the 'repeat' programme requirement. Media Access Australia (MAA), for instance, have argued that improved consistency in the way captioning quotas are applied would simplify and improve the existing arrangements for both industry and viewers.<sup>16</sup>

<sup>&</sup>lt;sup>15</sup> Subject to any exemption or target reduction order under section 130ZUA.

<sup>&</sup>lt;sup>16</sup> See Media Access Australia (MAA) submission to the Senate Committee Inquiry at <u>www.aph.gov.au/Parliamentary Business/Committees/Senate/Environment and Communications/Broadcasting Deregulati</u> <u>on/Submissions</u>

MAA have proposed that captioning targets apply to relevant FTA multichannels as well, and that the targets could be based on the existing levels of captioned content found on those channels (over a 24-hour period) initially, then rise over time. MAA further propose that captioning quota arrangements be made consistent across FTA and STV sectors, by providing that all relevant services be subject to 24-hour quota arrangements. Under this proposed arrangement the requirement to caption repeat programmes would be removed. MAA argues that this approach would reduce viewer confusion over which programmes should be captioned across a relevant FTA broadcaster's suite of channels.<sup>17</sup>

Simplifying captioning target obligations in the FTA sector and improving the level of consistency in the way they operate would improve the level of transparency for viewers regarding where and when they can expect to find captioned programming. It would also provide greater certainty to broadcasters in respect of what their captioning obligations are and how they can meet them.

Unlike the options described at sections a) and b) above, extending captioning targets to multichannels is a regulatory measure, rather than being of a deregulatory nature. Consequently any potential benefits from amending the captioning targets for broadcasters also need to be weighed against the additional costs such amendments may impose on broadcasters, and any implications for the provision of services.

#### **Regulatory response options**

#### Option 1: Extend FTA television broadcasters' captioning requirements to a full 24-hour period

Under this option, the captioning obligations that apply to relevant FTA broadcasters' primary channels would be extended such that they applied across a full 24-hour period. All relevant FTA television broadcasters would be required to caption 100 per cent of non-exempt programmes on their primary channel. The obligations for FTA television broadcasters would be consistent across all programmes under this option, i.e. there would be no distinction between news and current affairs programming, and all other programming. This would also bring the captioning obligations for FTA television primary channels into line with STV services, which are subject to captioning obligations that apply across a 24-hour period. Under this option, no existing changes to multi-channel captioning requirements are proposed.

Issues for consideration in relation to this option:

- The extent to which it would affect the level of regulatory and compliance burden that FTA television broadcasters are subject to.
- The extent to which it would support increased transparency for viewers.
- Should the change be implemented fully at once, or in a graduated way over a year?

<sup>&</sup>lt;sup>17</sup> See MAA's submission to the Department of Communications' Consultation Paper: Digital Television Regulation at <u>https://www.communications.gov.au/sites/g/files/net301/f/webform/hys/pdf/Media Access Australia MAA.pdf</u>

#### Option 2: Increase captioning requirements on FTA broadcasters' multichannels

Under this option, the captioning obligations that apply to relevant FTA broadcasters' primary channels would be extended to apply to their multichannels. This could be implemented while retaining current rules in relation to the primary channel, or added to the changes proposed in option 1 above. That is, if option 1 was not proceeded with, under this option 2 all relevant FTA broadcasters would be required to caption 100 per cent of non-exempt programmes between 6am and midnight and to caption news and current affairs at any time, on all of their free-to-air channels. If option 1 was proceeded with, option 2 would involve all relevant FTA broadcasters being required to caption 100 per cent of non-exempt programmes across a full 24-hour period, on all of their free-to-air channels.

However captioning all content on broadcasters' primary and multichannels would involve significant additional expense for the relevant FTA broadcasters and may reduce expenditure in other areas of the business, for example content development.

Consistent with the approach taken in the STV sector, any increase to captioning requirements on multichannels could be 'phased-in' over a period of time.

Issues for consideration in relation to this option:

What is the appropriate starting target, and what is the appropriate timeframe for increased targets to be phased in?

The extent to which it would affect the level of regulatory and compliance burden that commercial and national FTA broadcasters are subject to.

Whether the amendment would impact on broadcasters' ability to deliver new and high quality services, particularly on their multichannels.

How the amended rules would interact with other requirements, e.g. repeat programming requirements.

#### Option 3: No change

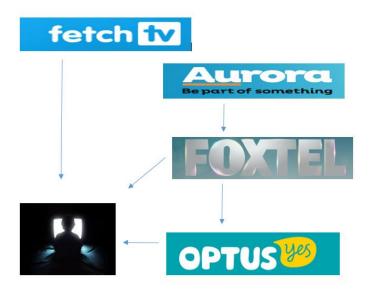
Under this option there would be no change to the existing captioning target arrangements for FTA television broadcasters, as provided for in the BSA.

#### d) Captioning obligations for the STV sector

The key business groups engaged in the supply of STV services are set out below.

- **Subscription television licensees**: offer subscription television services to viewers, and may provide a range of different channels and genres, (e.g. Foxtel and Fetch TV are STV licensees).
- Independent channel providers: provide or package content for licensees, often in a specific genre or set of genres. Range from representatives of international media groups (e.g. Viacom) to small domestic channel groups and community-based organisations (e.g. Aurora).
- Wholesalers: sell programming to resellers who on-sell it to viewers (e.g. Foxtel).
- **Resellers**: purchase content from wholesalers to resell to viewers (e.g. Optus).

STV licensees provide services that generally consist of a variety of channels and content, including content that is provided by a range of different channel providers. For instance Foxtel provides content packaged 'in house' (e.g. by Foxtel-owned channel providers such as The Comedy Channel and TVH!ts) in addition to programmes supplied by independent channel providers, for example, BBC Worldwide Australia and Syfy. STV licensees also include resellers who on-sell to viewers programming that is sourced from wholesalers, e.g. Optus resells Fetch TV and Foxtel programming.



These types of arrangements can lead to complexity or inconsistency around the application of the captioning rules to particular channels.

A range of areas have been identified where in the view of stakeholders the existing captioning obligations for the STV sector cause unnecessary administrative burden. These include rules that require multiple parties to spend time and resources applying for/making exemption or target reduction orders for the same channels, or where a reseller is required to report on captioning compliance for programming that the reseller's supplier also has to report on.<sup>18</sup>

Stakeholders have also identified that the way captioning regulation is applied can produce inconsistent outcomes. Under current obligations it is possible for different captioning obligations to apply to the same channel, depending on how it was provided.

• Inconsistent captioning targets: STV licensees can nominate certain channels for different service categories, which attract different captioning target requirements, for example Category A (80%), Category B (60%) and Category C (50%) movie services. Consequently, under these arrangements a smaller subscription licensee that offers only a small number of movie channels will be required to caption a higher proportion of their programming relative to the larger licensee.

<sup>&</sup>lt;sup>18</sup> See Optus submission on deregulation, p22, at <u>www.communications.gov.au/have-your-say/deregulation-</u> <u>communications-sector</u>

- **Exemption and target reduction orders**: Licensees can apply to the ACMA for an exemption order to exempt a channel from captioning targets, or a target reduction order to reduce the captioning percentage targets. As it is the responsibility of each licensee to apply for relevant exemption or target reduction orders, it is possible that particular orders may be in effect for some licensees but not for others in relation to the same channels and programming.
- **Nominated exemptions**: an STV licensee that provides a specified minimum of services for some genres (e.g. more than 11 STV movie services) may nominate exemption from captioning requirements for programming on additional channels, subject to the licensee meeting certain other obligations.<sup>19</sup> Consequently, that licensee may be exempt from providing captioning for a movie on a 12th channel, for instance, whereas another licensee who broadcasts that same movie may have to caption it in order to meet the captioning target.

Aside from the potential for inconsistency in captioning requirements these aspects of existing arrangements may cause, they may also disadvantage some providers. For instance a relatively small provider may have to expend resources captioning programming on a channel that is exempt on a larger provider.

Options for addressing the issues outlined in this section are set out below. It is important to note that each of the options would set consistent captioning targets per channel regardless of the licensee carrying the channel.

#### **Deregulatory response options**

#### **Option 1: Channel Plan**

An option to improve regulatory outcomes is to require the ACMA to oversee the development of a 'channel plan' that would specify the amount of captioned content that licensees will provide for their STV channels. A channel plan would be forward-looking so that viewers have a better idea in advance of where to expect captioned programming, and could replace existing retrospective annual reporting obligations. The key features of a channel plan approach include:

- it identifies what captioned content will be available on channels across subscription television services for the following 12 months;
- it sets out a consistent captioning target for each channel regardless of the licensee;
- it is subject to review by the ACMA; and
- it is published on the ACMA's website on finalisation, in addition to being published on subscription television licensees' websites.

The design of captioning channel plan arrangements would need to have regard to the operating environment of the STV sector and fluctuations in programme scheduling, as well as the level of transparency for viewers as to the provision of captioning services.

<sup>&</sup>lt;sup>19</sup> See s130ZX of the BSA.

It is also important to note that the introduction of captioning channel plan arrangements would not affect the existing requirement in the BSA for the ACMA to investigate captioning complaints. This mechanism would continue to ensure that viewers are in the best position to raise concerns about the provision of captioning services, and would support ongoing compliance with captioning obligations in the STV sector.

Different channel plan models are described below.

#### Captioning channel plan model A

Under this model the ACMA would publish an annual captioning channel plan on its website before the beginning of each financial year. The plan would set out the annual captioning target for each STV channel (regardless of which STV licensee provides the channel) for the applicable financial year. The annual target for a channel would apply to each STV licensee that provides that channel in the financial year.

The annual captioning target for each channel would be established by the ACMA having regard to a range of issues including:

- annual captioning targets set out in the BSA;
- any category nominations by STV licensees, for movie services and for general entertainment services;<sup>20</sup> and
- any exemption nominations by STV licensees on the basis of the number of services provided (i.e. not exemption orders relating to 'unjustifiable hardship').<sup>21</sup>

The category nominations and exemption nominations by STV licensees would need to be provided to the ACMA before the beginning of the relevant financial year (such as six weeks before the relevant financial year), to enable the ACMA to prepare and publish the annual captioning channel plan before the beginning of each financial year.

Licensees would retain overall responsibility for meeting captioning obligations in the BSA.

The published channel plan would be binding on licensees—with the exception of the specific exemption and target reduction orders described above, STV licensees would be obliged to meet the captioning targets that applied to the channels the licensee provided.

To ensure consistency between different STV licensees, under the model described above, the annual captioning target for a channel would be the lowest target that would apply to a licensee providing that channel as a result of category or exemption nominations by STV licensees.

<sup>&</sup>lt;sup>20</sup> Licensees providing more than a certain number of STV services may nominate services to be considered as part of a particular service category (under s130ZVA of the BSA for movie services, and s130ZW for general entertainment services), with different service categories assigned different captioning targets.

<sup>&</sup>lt;sup>21</sup> Licensees that provide more than a certain number of STV services can nominate for qualifying services to be exempt from captioning requirements, under s130ZX of the BSA).

For example in a scenario where one licensee nominated a movie channel to be a Category B movie service (subject to a 60 per cent annual captioning target) and another licensee nominated that same channel to be a Category C service (subject to a 50 per cent annual captioning target) for 2015-16, and while no licensee nominated that channel to be an exempt service on the basis of the number of services provided, the channel will be a Category C movie service for each licensee that provides the channel, thus attracting a captioning target of 50 per cent for the relevant year.

Captioning targets determined in target reduction orders and exemption orders made under s130ZY of the BSA (orders that may be sought when providing captioning services would result in unjustifiable hardship on the broadcaster) would not be used to determine captioning targets for the purposes of the annual channel captioning plan.

#### Captioning channel plan model B

This model would operate in a similar fashion to Model A described above, with the following variations to afford channel providers greater flexibility in the provision of captioning services:

Channels could deviate from the annual captioning target that is specified in the annual captioning plan provided that:

- at least a minimum proportion of the annual captioning target was met (e.g. two thirds of programming); and
- the total hours of captioning across channels supplied by the same channel provider (or part-channel provider) in the year were not less than the total hours of captioning required for those channels in the year.

Channel providers would be required to report to the ACMA on variations to the annual captioning plan after the end of each financial year, and meet quality and record-keeping requirements. Licensees would retain ultimate responsibility for complying with captioning obligations in the event that channel providers failed to meet targets and associated quality, record-keeping and reporting requirements.

**Example**: Where under the captioning plan the annual target for 'Movie Channel X'—a category A service was 80% for the relevant year, and was 60% for 'Movie Channel Y'—a category B service (and where both channels are supplied to a licensee by the same channel provider)—under this model an STV licensee may vary from the annual captioning plan if:

- The amount of captioned content averaged at least 70% across the two channels.
- Movie Channel X captioned at least 53.3% (two thirds of 80%)
- Movie Channel Y captioned at least 40% (two thirds of 60%)

Examples of compliance options under this scenario include the following:

- The captioning for Movie Channel X can be 53.3% provided that captioning on Movie Channel Y is at least 86.7%.
- The captioning for Movie Channel Y can be 40% provided that captioning on Movie Channel X is 100%.
- The status of category and exemption nominations by STV licensees would also be the same as for model A.

Model B draws on policy features recently implemented in the Deregulation Act, specifically to section 130ZV(3) which allows sports channel providers to aggregate captioning targets across a group of channels.

While model B would provide additional flexibility for broadcasters, it might prove confusing for customers to know which programming would be captioned. The model is also more administratively complex and may increase the costs of compliance for the ACMA.

Issues for consideration in relation to this option:

As channel plans would be published in advance, where there was a variation to the plan, as permitted under Model B, this may have implications for viewers' understanding of what programming is required to be captioned.

The appropriateness and operation of annual reporting requirements for STV licensees would require review in light of the increased transparency afforded by channel plans.

#### **Option 2: Threshold model**

Some advocacy stakeholders have argued that the existing processes do not provide sufficient transparency in terms of the basis for exemptions and target reductions being granted. Additionally, the peak industry body for the subscription television sector, the Australian Subscription Television and Radio Association (ASTRA) has called for the captioning target obligations to be simplified for the STV sector.<sup>22</sup>

A 'threshold model' is an option to address this that would simplify captioning target obligations and exemption arrangements. It would do this by establishing a particular threshold or thresholds which would determine whether a channel qualified for an exemption from captioning obligations. If it did not, captioning targets would apply to the channel and the targets would be fixed and published on the ACMA's and licensees' websites in advance. Thresholds could include:

**Audience numbers**: If a channel's viewing audience was below a minimum threshold, that channel would be exempt from having to meet captioning obligations.

Example: If 'Channel X' had an audience of less than a low threshold, e.g. less than a set percentage of the average primetime viewing audience for channels transmitted on the same platform (STV or FTA), it would not have to provide captioning services for a 12-month period, on the basis that the expense of doing so for a small audience may be an unreasonable imposition, and may even threaten the viability of the service.

**Channel revenue**: If the expenditure on captioning services would exceed a threshold percentage of the channel's revenue, that channel would be exempt from having to meet captioning obligations.

<sup>&</sup>lt;sup>22</sup> See Australian Subscription Television and Radio Association submission the Senate Committee Inquiry at <u>www.aph.gov.au/Parliamentary Business/Committees/Senate/Environment and Communications/Broadcasting Deregulati</u> on/Submissions

Example: If 'Channel Y' earned \$1m in revenue in 2014-15, and the cost to provide captioning services for that channel in that year would exceed a threshold, e.g. 5 per cent or \$50,000, then that channel would be exempt from having to meet captioning obligations for that year on the basis that doing so would both provide an unreasonable imposition on providers and threaten its provision to viewers.

This option would draw on approaches taken in international markets such as the UK, where an audience share percentage (0.05%) threshold is used in determining captioning exemptions, and the US, where 'video programming providers' are exempt from captioning obligations if such expenditure would exceed 2 per cent of the gross revenues earned by the relevant channel during the previous year.

The option would result in increased transparency in relation to captioning targets by requiring targets for channels to be published in advance, in the same way as would happen under captioning channel plans.

Issues for consideration in relation to this option:

- This option would set a consistent captioning target per channel regardless of licensee.
- The requirement to caption programming would depend on the success of the channel, ensuring that successful channels provide this service, and that emerging channels are automatically exempted until they become more established with audiences.
- Would audience numbers, channel revenue or both be effective thresholds? What could other thresholds be included?
- This is consistent with key features of the models taken in the US and UK.

#### Option 3: Channel provider responsibility

Under this option the responsibility for meeting captioning obligations could be placed on channel providers as the business units which supply the content. For instance the ACMA would be able to accept captioning compliance reports from channel providers (and part channel providers), which would reduce the regulatory burden on relevant licensees. It would also support a reduction in unnecessary or duplicative reporting, as a channel provider could provide a single report on programming it provided to multiple licensees, instead of those multiple licensees each providing a report on the same programming.

Licensees would remain ultimately responsible for compliance obligations where channel providers fail to meet compliance requirements, including for example written and audio-visual record keeping, and in responding to complaints made either to the licensee or the ACMA.

These reporting arrangements draw on the New Eligible Drama Expenditure Scheme in the BSA (Part 7, Division 2A) where channel providers report against minimum expenditure obligations but licensees bear the ultimate responsibility for compliance with captioning obligations.

Unlike options 1 and 2 above, implementing option 3 would be a regulatory response, in that new regulation would be established, while existing regulation (relevant licensees' ultimate responsibility for captioning compliance) would remain in place.

## Attachment A: Further issues and statutory review

A number of other issues that have been raised by stakeholders are outlined in this section. The Department's view is that it is not appropriate to consider further reform to address these issues at this time, for the reasons outlined below. Particularly where these issues relate to amendments that have only recently been introduced by the Deregulation Act, it is appropriate that where the issues referred to below require further consideration, this should happen in the context of the statutory review of Part 9D (the statutory review) that the BSA provides must take place by 31 December 2016.<sup>23</sup>

#### Captioning obligations for commercial regional television broadcasters:

Commercial FTA television networks that provide services to regional areas of Australia (regional broadcasters), such as WIN, Prime, Southern Cross Austereo and Imparja, operate in different market conditions to commercial FTA broadcasters that operate in metropolitan markets, such as the Nine, Seven and Ten. Regional broadcasters often source a significant amount of their programming from metropolitan networks through affiliation agreements. Regional broadcasters generally also provide some local content including, for example, minimum levels of material of local significance as required under section 43A of the BSA.

Some stakeholders have raised concerns about the effect of captioning obligations on commercial regional broadcasters. For instance existing arrangements may create duplication of reporting where regional broadcasters are required to report on compliance for programmes that metropolitan broadcasters are also required to report on. Taking into account the size and operating environment of regional broadcasters, some stakeholders have suggested there is also value in considering whether regional broadcasters should take responsibility for captioning breaches in relation to programmes broadcast under an affiliation agreement.<sup>24</sup>

It is appropriate that, as broadcast licensees, regional commercial FTA broadcasters bear ultimate responsibility for satisfying legal obligations under the BSA. The Department notes that commercial arrangements with affiliated metropolitan networks provide regional broadcasters with a mechanism to ensure they are able to receive both captioned programming and associated record-keeping and report data as required to meet their regulatory obligations.

<sup>&</sup>lt;sup>23</sup> See s130ZZE of the BSA.

<sup>&</sup>lt;sup>24</sup> For instance a submission to the deregulation process by Free TV Australia states that regional broadcasters should not be held to have breached captioning obligations for 'as live' programming delivered to them by a third party (i.e. affiliated metropolitan broadcaster).

#### Treatment of captioning breaches:

As noted above, FTA television broadcasters are subject to a strong and effective compliance regime which provides a range of sanctions and remedies including, in severe cases, the possibility of a broadcaster's licence being cancelled. Some stakeholders have argued that greater flexibility in determining breaches is required, including where a breach:

- affects less than 50 per cent of a licence area;
- was the result of unforeseen events;
- was the responsibility of a third party supplier; or
- occurred despite the responsible broadcaster having acted reasonably and in good faith.

It has also been argued that the BSA should be amended such that compliance with Part 9D captioning obligations would not be a licence condition for broadcasters.

Under existing arrangements the ACMA has discretion to apply proportional and reasonable sanctions, depending on the circumstances. The Deregulation Act introduced increased flexibility into how captioning breaches are determined,<sup>25</sup> and it is important that these changes should be allowed to take effect, and their impact observed, before considering further amendment in this area.

#### Assessment of captioning quality:

Some stakeholders have argued that the existing captioning regulatory framework is inadequate in the way it accounts for captioning quality obligations, including measurement of captioning quality. Ai-Media have proposed that alternative approaches to measurement of captioning quality be considered.<sup>26</sup> Other stakeholders have asserted that the ACMA should be required to consider 'near-live' programming when making a captioning quality standard.<sup>27</sup>

The Deregulation Act requires the ACMA to review the Standard to take into account the differences between providing captioning services for live television programmes, pre-recorded television programmes and programs that include both live and pre-recorded material. The ACMA's review of the standard is due to be completed by 19 March 2016, and it has released a discussion paper seeking submissions by 18 December 2015. The Deregulation Act also introduced an exemption for captioning quality breaches where the breach is due to unforeseen engineering or technical failures.

<sup>27</sup> For instance see Free TV Australia submission to the Senate Committee Inquiry at www.aph.gov.au/Parliamentary Business/Committees/Senate/Environment and Communications/Broadcasting Deregulati on/Submissions

<sup>&</sup>lt;sup>25</sup> See clause 11 of Schedule 6 to the Deregulation Act.

<sup>&</sup>lt;sup>26</sup> See Ai-Media submission to the Senate Committee Inquiry at <u>www.aph.gov.au/Parliamentary\_Business/Committees/Senate/Environment\_and\_Communications/Broadcasting\_Deregulati</u> <u>on/Submissions</u>

## Amend minimum captioning target for each STV channel in a group of STV sports channels:

The Deregulation Act amended the captioning regulatory framework in such a way that where they are provided by the same channel provider, sports channel captioning targets can be 'averaged' over a group of sports channels. Under the amendment, each individual channel in a group of relevant channels must still meet a minimum captioning target, namely two thirds of the target that applied to that channel prior to the introduction of the Deregulation Act.

ASTRA has proposed that the new minimum captioning level per individual channel affected by the provision be revised from two thirds to 50 per cent. While the proposed amendment may be feasible where it is demonstrated that the objective of maintaining the overall amount of captioning is supported, the Department's view is that the most appropriate way to consider this option is as part of the 2016 statutory review.

#### Mandatory consultation between applicants and the ACMA:

During consultation regarding the Deregulation Bill, ASTRA suggested that the Bill include an obligation for the ACMA to consult with applicants in relation to a target reduction order or exemption order before finalising an order, and that the ACMA should have the power to vary the terms of an order sought by an STV licensee. ASTRA's stated view was that:

This would avoid the need for multiple applications to be made in circumstances where an initial application is rejected for issues such as failing to provide certain information, applying for a target reduction which is considered too great, or applying for a period which is considered too long.<sup>28</sup>

Good consultation is part of good regulatory practice. However defining a specific obligation to undertake consultation and negotiation on aspects of order applications may reduce flexibility and increase costs. Such an approach is also prima facie inconsistent with the Government's deregulation agenda which seeks to reduce regulatory oversight costs for Government as well as the regulatory burden on industry.<sup>29</sup>

<sup>&</sup>lt;sup>28</sup> See ASTRA submission to the Senate Committee Inquiry at

www.aph.gov.au/Parliamentary Business/Committees/Senate/Environment and Communications/Broadcasting Deregulati on/Submissions

<sup>&</sup>lt;sup>29</sup> See the Whole of Government deregulation agenda at <u>www.dpmc.gov.au/office-deregulation/whole-government-</u> <u>deregulation-agenda</u>

#### Amended definition of a new channel provider:

The Deregulation Act introduced an automatic exemption from captioning obligations for at least one year after commencement of an STV service 'if the service predominantly consists of programmes not transmitted in Australia before that commencement.'<sup>30</sup>

In a submission to the Senate Standing Committee on Environment and Communications Legislation's Inquiry into the Deregulation Bill (the Senate Committee Inquiry), ASTRA proposed an amendment to the provision to exclude the qualification regarding eligibility for the exemption. Under ASTRA's proposal, the 'new channel exemption' would not be subject to a qualification other than to exclude channels which are merely re-named or re-branded versions of an existing channel—that is, where the content and operation of the service remain materially the same.

ASTRA further proposed that, alternatively, the exemption be amended such that a new service could only be eligible if it predominantly consists of programmes not previously transmitted by the 'same channel provider' prior to commencement.

The Deregulation Act inserted a new definition of a channel provider for the purposes of Part 9D that is designed to encourage subscription television licensees to bring new content and channels to Australian audiences. Where captioning obligations are likely to cause unjustifiable hardship, licensees are provided with relief under the existing arrangements in that they are already able to apply for target reduction orders and exemption orders.

#### Remove repeat programming obligations for STV services:

Some stakeholders have questioned the ongoing need and value of captioning obligations relating to repeat programming. For instance in their submission to the Senate Committee Inquiry Ai-Media stated that:

Superficially attractive, the "repeat rule" for subscription broadcasters, has negative unintended consequences, is impossible to enforce, and is unnecessary given the imperatives on broadcasters to fill their quotas.<sup>31</sup>

MAA's proposal to standardise captioning target arrangements across FTA primary and multichannels is described in the policy options paper at section *c*) other stakeholder proposals—regulatory measures for the *FTA sector*. In relation to STV services, the Deregulation Act aimed to ensure repeat captioning obligations are better-targeted by restricting repeat captioning obligations to programmes provided by the same channel provider. As new measures introduced by the Deregulation Act have not been operating for a substantial period of time, and other reforms form part of the ongoing discussion this paper aims to support, consideration of any further changes to the repeat captioning obligations beyond those implied at section *c*) other stakeholder proposals—regulatory measures for the FTA television sector should be delayed

<sup>31</sup> See Ai-Media submission to the Senate Committee Inquiry at

<sup>&</sup>lt;sup>30</sup> See clause 5 of Schedule 6 to the Deregulation Act. Available at <u>www.comlaw.gov.au/Details/C2015A00022</u>

www.aph.gov.au/Parliamentary Business/Committees/Senate/Environment and Communications/Broadcasting Deregulati on/Submissions, p6

until the statutory review of Part 9D that ACMA is required to undertake by 31 December 2016 under section 130ZZE of the BSA.

#### Compliance and enforcement regime:

Currently breaches of the captioning standard are also breaches of licence conditions for both FTA and STV licensees. In the extreme, breaches of licence conditions could result in suspension or removal of broadcasting licences. Some stakeholders have argued that that this would be an extreme outcome for breaches of captioning requirements. The issue of enforcement of licence conditions and the penalties applying is one which is wider than captioning and is a consideration in other areas of broadcasting regulation. Alternative sanction regimes are more appropriately considered in the wider deregulation context.

# Attachment B: Captioning targets for subscription television services

Annual captioning target for financial year beginning on 1 July 2015<sup>32</sup>

Item	Service	Percentage
1	Category A subscription television movie service	80%
2	Category B subscription television movie service	60%
3	Category C subscription television movie service	50%
4	Category A subscription television general entertainment service	60%
5	Category B subscription television general entertainment service	50%
6	Category C subscription television general entertainment service	30%
7	Subscription television news service	20%
8	Subscription television sports service	20%
9	Subscription television music service	10%

<sup>&</sup>lt;sup>32</sup> See section 130ZV of the BSA.