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Department of Infrastructure, Transport,
Regional Development, Communications and the Arts
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CESA Submission on the Proposed Radio Prominence for Smart Speakers (“Proposals Paper”)

Introduction

CESA welcomes the opportunity to provide feedback on the proposed approach in relation to radio prominence framework for smart speakers.

CESA is the premier national, industry body in Australia representing suppliers of consumer electronics products in Australia which include smart speakers using voice-assistant platforms of the major third-party providers of voice activation software.

CESA acknowledges the importance of ensuring fair and equitable access to Australian radio services in the digital age. However, we strongly urge the Government to avoid the current pitfalls in implementing the television prominence framework under the Communications Legislation Amendment (Prominence and Anti-Siphoning) Act 2024. Whilst the proposed framework would operate through the obligations on voice-assistant platforms, manufacturers and suppliers of smart speakers have an interest in ensuring practical and efficient device integration and no disruption to services.

To achieve this, the following are necessary:

- 1. Adequate Implementation Period:** The proposed timeframe for implementation should consider not only the time required to redesign platforms but also the integration across a range of diverse and multi-brand devices.
- 2. Grandfathering Provision:** The legislation should include a grandfathering provision to avoid imposing regulatory burdens on existing devices, especially when updates are not technically or commercially feasible.

Comments on the Consultation

The Proposal Paper examines the need for a radio prominence framework for smart speakers.

The implementation of the radio prominence framework must consider the diverse landscape of smart speaker technology and the implications faced by not only platform providers but also device manufacturers.

Scope of CESA's Submission

CESA's submission addresses those consultation questions pertinent to smart speaker manufacturers/ suppliers and offers general comments on the proposed approaches.

CESA's Response to the Consultation Questions

Table 7: Potential Costs Associated with the Proposed Radio Prominence Framework

5. *What impact would the framework have on third-party smart speaker suppliers using voice activation software?*

The proposed framework indirectly requires smart speaker manufacturers to integrate compliant voice activation software that can reliably respond to requests for regulated radio services. This may necessitate hardware and software adjustments, potentially increasing development costs and timeline constraints for these manufacturers.

6. *What impact would the framework have on the range and features of voice assistants and/or smart speakers in the Australian market?*

Overly prescriptive or poorly designed regulations could limit the diversity and innovation of voice assistants and smart speakers available in the Australian market. Manufacturers may be restricted in how they differentiate their products, leading to a more uniform feature set across devices. Additionally, the complexity of compliance may deter new entrants or innovation from established players, ultimately reducing consumer choice.

Table 9: Application Considerations

14. *What is the appropriate application period for the radio prominence framework? (Options: 6 months, 12 months, 18 months, or other)*

The proposed timeframe for implementation should take into account not only the time required to redesign platforms but also integrating them across a range of diverse and multi-brand devices. This necessitates a substantially longer timeframe than the suggested 6-18 months. We recommend a minimum of 24 months.

15. *Should the radio prominence framework apply to: (a) voice assistants on devices supplied after the application period; (b) voice assistants on devices already supplied in Australia (capable of software updates); (c) voice assistants operating on other groupings of smart speakers?*

The radio prominence framework should apply only to voice assistants integrated into devices **first introduced (not merely supplied) in Australia after the effective date of the legislation**. This approach is necessary to avoid placing an undue and disproportionate regulatory burden on businesses.

This approach preserves existing investments and ensures a smoother transition. Implementing software or hardware updates for all existing devices may not be feasible if development has been completed. Allocating resources and applying changes to older devices present significant technical and operational challenges for both regulated access providers and device manufacturers.

This is especially true considering that many devices may be nearing the end of their lifecycles, making retrofits technically challenging and economically unviable. Moreover, forcing updates on devices already in use raises significant consumer-facing technical issues, as older devices may lack the required hardware and software capabilities for these updates.

Extending the framework to other groupings of smart speakers presents further complexities in definition and enforcement. This raises questions surrounding the intended scope of the regulations - which devices and services are covered including:

Scope of devices: The Proposal Paper states that prominence will apply to smart speakers being internet connected, voice-enabled speakers but *excludes other internet connected devices that might be used to listen to audio content including cars*. CESA seeks confirmation that Smart TVs and Sound Bars devices are also intended to be out of scope.

Scope of Services: The challenge of ensuring regulated access providers can play any of thousands of Australian online radio channels when requested by a user highlights a significant implementation hurdle. Simply requiring all channels to be accessible via every provider's app is unrealistic and impractical for several reasons:

- **Technical Complexity:** Integrating thousands of diverse streaming services into each provider's app would require immense technical effort, potentially involving bespoke integrations for each station. This is costly, time-consuming, and prone to errors. Maintaining compatibility and updates across so many different systems would be a massive ongoing undertaking.
- **Financial Burden:** The costs associated with developing and maintaining these integrations would be substantial for regulated access providers and device manufacturers.
- **Data Management:** Managing the metadata (information about each station, such as genre, location, etc.) for thousands of channels would be a huge task, demanding significant resources and expertise for both accuracy and timely updates.

Further assessment is needed to confirm whether affording radio prominence to “online simulcasts” adequately addresses the above challenges.

The design of the radio prominence framework must balance the regulatory objectives with practicality and feasibility, avoiding undue burden on regulated access providers while ensuring compliance with the regulatory requirements.

Further assessment is needed to confirm whether affording radio prominence to “online simulcasts” adequately addresses the above challenges.

General Comments on the Proposed Approach

Key Design Issue	Proposed Approach	CESA Comment
1. Level of Prominence	Consistent and reliable access – a regulated access provider (voice assistant platform) must respond to and play a specific regulated radio service when requested by a smart speaker user, if reasonable in the circumstances.	<p>The requirement for "consistent and reliable access" raises significant concerns for smart speaker manufacturers and developers. Voice recognition systems are designed to interpret user commands; however, real-world scenarios often feature background noise, varied user accents, differing pronunciations, and interruptions during speech. These challenges can hinder the ability of voice assistants to execute requests accurately and consistently. Developers must re-engineer algorithms to enhance performance under a wide range of variables and conditions, potentially leading to increased development costs and extended timelines. The call for a more realistic and manageable standard, which considers these technological limitations, is crucial to prevent overburdening providers while ensuring the framework's success without stifling innovation.</p> <p>To this end, the Proposal Paper notes that the framework “would not require voice activation software to be 100 per cent accurate, 100 per cent of the time” and that the framework would require regulated access providers to respond to a user request for a specific regulated radio service and to play the service consistently and reliably, to the extent that this is reasonable under the circumstances.</p>

Key Design Issue	Proposed Approach	CESA Comment
		<p>It is therefore critical that the anticipated ACMA guidelines on what constitutes consistent and reliable responses to user requests, reflects the above policy intent.</p> <p>Furthermore, the effectiveness of the radio prominence obligations hinges on radio service providers ensuring all regulated radio services are accessible and compatible with voice assistant platforms. The prominence regulations should explicitly state this condition.</p>
2. Payment for Prominence	No cost – voice assistant platforms must provide the required prominence for a regulated radio service without imposing fees or charges.	Although CESA has not provided a specific response concerning the proposal for 'no charge' prominence, it is important to consider the potential business impacts on providers forgoing revenue that could be utilised to offset compliance costs.
3. Service Integrity	No alteration – voice assistant platforms are prohibited from altering content (including advertising or sponsorship) of a regulated radio service when providing prominence.	The prohibition against altering content within regulated radio services presents challenges for voice assistant platforms that strive to deliver a seamless user experience. Many platforms enhance content by integrating supplementary features such as personalised recommendations, interactive elements, and advertisements tailored to user preferences. By restricting these modifications, the framework could inhibit innovation and reduce the versatility of voice assistants in meeting user needs. Furthermore, strict adherence to content integrity could lead to less engaging user interactions, resulting in reduced consumption of regulated radio services. A more flexible approach that

Key Design Issue	Proposed Approach	CESA Comment
		allows platforms to innovate while still respecting the integrity of the content could prove beneficial for both users and regulated radio service providers.
4. Regulated Radio Service Providers	Australian national, commercial, and community broadcasters – prominence is provided for mainstream Australian radio broadcasters.	<p>To promote transparency and effective implementation of the prominence framework, it is essential to precisely delineate the categories of service providers that will receive regulatory emphasis. This clarity is vital for establishing fair competition and preventing confusion among consumers and manufacturers. Mainstream broadcasters - including national networks and community radio - typically have established audience bases and are integral to the Australian media landscape. Conversely, internet-only services often have limited reach and may not experience the same prominence challenges. By initially focusing on traditional broadcasters, the framework can effectively address accessibility issues without complicating the landscape with services that do not meet similar prominence thresholds.</p>
5. Regulated Radio Services	Online simulcasts – the framework applies to online simulcasts of broadcasting services from mainstream Australian radio broadcasters.	Echoing the points made above in relation to the “Scope of Services” and issue 4, it is important that the framework explicitly identifies which regulated radio services are eligible for prominence. By doing so, stakeholders can better understand their roles and responsibilities and ensures that the framework is feasible.

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		<p>This definition should encompass services most relevant to the public policy role of radio services that are reflected in subsection 3(1) of the Broadcasting Services Act 1992. Clear criteria for what constitute a regulated radio service will support adherence to the framework and reduces the risk of potential disputes or legal ambiguities regarding service eligibility.</p>
6. Regulated Access Providers	<p>Voice assistant platforms – prominence obligations apply to providers of voice activation software used in smart speakers.</p>	<p>Regulating voice assistant platforms as primary gatekeepers is an approach that resonates with successful international regulations. By placing the responsibility on the platforms that control user access to content, the framework can effectively address the centralisation of control in the market. Such a regulatory model fosters a level playing field. Furthermore, this approach allows for standardised compliance measures that enhance interoperability, ensuring that services function effectively across various devices. Learning from the UK's experience can offer valuable insights into best practices for implementation and stakeholder engagement.</p>
7. Access Pathway	<p>Open access pathway – regulated access providers can determine the source or pathway for users to access a regulated radio service, unless a specific source is requested by the user.</p>	<p>Although CESA has opted not to comment on the access pathway issue, this aspect may warrant future discussion.</p>
8. Minimum Technical Standards	<p>Negotiated standards – relevant parties determine technical standards for integrating regulated radio services and voice activation</p>	<p>CESA supports the proposed approach of "negotiated standards" to provide appropriate flexibility for this rapidly evolving technology, while allowing the</p>

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	software; ACMA determines 'offer' requirements, if necessary.	ACMA to address any compliance issues as needed.

Conclusion

By addressing the matters raised in this submission, the Government can establish a fair, efficient, and sustainable framework that ensures equitable access to radio services for all Australians.

It is crucial that continuous and thorough consultation be maintained with industry stakeholders throughout the policy design and implementation phases to ensure the development of an effective prominence framework. Providing adequate timeframes, defining a clear regulatory scope, and establishing adaptive standards will support a balanced approach that promotes innovation while ensuring access to regulated radio services.

We thank you for your consideration of the views provided in our response and please do not hesitate to contact us should you have any questions.

Yours sincerely,

Evelyn Soud
Chief Executive Officer