# **Telstra Submission** Australian Law Reform Commission National Classification Scheme Review



Consolidated Telstra Submission to the ALRC National Classification Scheme Review

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# 01 Executive Summary

Telstra welcomes the Australian Law Reform Commission's ('ALRC') National Classification Scheme Review Discussion Paper. The Discussion Paper is an authoritative, insightful and comprehensive review of the issues currently confronting the National Classification Scheme. Taken together, the proposals outlined in this Discussion Paper would result in a new classification scheme that produced more effective and reliable outcomes for consumers and lower cost and more certainty for industry. Telstra congratulates the ALRC on the work that has been completed to date in this review and welcomes this opportunity to contribute feedback on this Discussion Paper in advance of the preparation of the ALRC's Final Report on this issue.

# 02 The Proposed Classification Scheme

### 2.1. Response to Proposals and Questions

Proposal 5–1 A new National Classification Scheme should be enacted regulating the classification of media content.

Proposal 5–2 The National Classification Scheme should be based on a new Classification of Media Content Act. The Act should provide, among other things, for:

(a) what types of media content may, or must be classified;

(b) who should classify different types of media content;

(c) a single set of statutory classification categories and criteria applicable to all media content;

(d) access restrictions on adult content;

(e) the development and operation of industry classification codes consistent with the statutory classification criteria; and

(f) the enforcement of the National Classification Scheme, including through criminal, civil and administrative penalties for breach of classification laws.

Proposal 5–3 The Classification of Media Content Act should provide for the establishment of a single agency ('the Regulator') responsible for the regulation of media content under the new National Classification Scheme.

Telstra supports these proposals.

As outlined in Telstra's submission on the ALRC National Classification Review Issues Paper Telstra believes that the scale of technological, commercial and cultural change that has occurred over the past 20 years and the ongoing pace of change in media industries justifies taking a holistic approach to the reform of the National Classification Scheme rather than attempting further incremental reform.

Telstra further supports the ALRC's proposals to clarify and consolidate classification criteria, obligations and enforcement powers within a single act and under a single Regulator. This approach will substantially reduce regulatory uncertainty and associated compliance costs for Australian media content providers.

Proposal 5–4 The Classification of Media Content Act should contain a definition of 'media content' and 'media content provider'. The definitions should be platform-neutral and apply to online and offline content and to television content.



Telstra supports this proposal in the context of the broader proposals for reform of the National Classification Scheme outlined by the ALRC.

If applied in a simplistic manner, 'platform-neutral' approaches to regulation can produce perverse outcomes where platforms with fundamentally different underlying characteristics are treated in a like manner. However, in the context of the approach that the ALRC is taking to defining what content should be classified (Proposals 6-1 through 6-8) and the flexibility provided through the Codes and Co-Regulation (Proposals 11-1 through 11-4), a 'platform-neutral' approach to the definition of 'media content' and 'media content provider' is a sensible and workable proposal.

# 03 What Content Should be Classified?

### 3.1. Response to Proposals and Questions

Proposal 6–1 The Classification of Media Content Act should provide that feature-length films and television programs produced on a commercial basis must be classified before they are sold, hired, screened or distributed in Australia. The Act should provide examples of this content. Some content will be exempt: see Proposal 6–3.

Telstra supports this proposal.

Telstra believes that this proposal would provide a reliable baseline of classification information for consumers on the most prevalent and influential forms of media content. Telstra submits that the benefits of expanding this classification obligation to other forms of audio-visual content would be unlikely to outweigh the significant costs that would be incurred by attempting to classify a potentially much larger category of content.

To this end, Telstra further submits that the Classification of Media Content Act should provide further clarity as to the definition of 'feature-length films' and 'television programs' than currently exists. At present, the definition of 'film' is quite broad and potentially applies not only to 'feature-length films', but also to shorter television episodes, mobisodes and other video content made available via the internet. Clarification of this issue would provide valuable industry certainty as to the operation of this proposal.

Proposal 6–2 The Classification of Media Content Act should provide that computer games produced on a commercial basis, that are likely to be classified MA 15+ or higher, must be classified before they are sold, hired, screened or distributed in Australia. Some content will be exempt: see Proposal 6–3.

Telstra supports this proposal.

Telstra welcomes the ALRC's proposal to limit this classification obligation to computer games likely to be classified MA15+ or higher. As outlined in Telstra's submission on the Issues Paper, while large numbers of mobile and tablet games and apps are now being produced by small providers, very few contain content that would be likely to pose any concern for consumers. Targeting this classification obligation on the relatively small sub-set of content that contains content that is likely to be of concern is a cost effective approach to addressing this issue.

Proposal 6–5 The Classification of Media Content Act should provide that all media content that may be RC must be classified. This content must be classified by the Classification Board: see Proposal 7–1.

Proposal 6–6 The Classification of Media Content Act should provide that the Regulator or other law enforcement body must apply for the classification of media content that is likely to be RC before:



(a) charging a person with an offence under the new Act that relates to dealing with content that is likely to be RC;

(b) issuing a person a notice under the new Act requiring the person to stop distributing the content, for example by taking it down from the internet; or

(c) adding the content to the RC Content List (a list of content that the Australian Government proposes must be filtered by internet service providers).

Telstra supports these proposals. Given the consequences that may potentially flow from a decision to categorise content as Refused Classification, Telstra supports all measures that improve the transparency and accountability of this process. In this context, Telstra believes that it is appropriate that content that may be classified as Refused Classification must be classified by the Classification Board.

Proposal 6–7 The Classification of Media Content Act should provide that, if classified content is modified, the modified version shall be taken to be unclassified. The Act should define 'modify' to mean 'modifying content such that the modified content is likely to have a different classification from the original content'.

Telstra supports this proposal.

Only requiring the re-classification of content where the content is modified in such a way as to be likely to alter the original classification of that content will not reduce the scope or accuracy of the classification information provided to consumers in any way. This proposal will however avoid the current costs associated with the valueless duplication of classification assessment processes as content is distributed across multiple platforms.

Proposal 6–8 Industry bodies should develop codes of practice that encourage providers of certain content that is not required to be classified, to classify and mark content using the categories, criteria, and markings of the National Classification Scheme. This content may include computer games likely to be classified below MA 15+ and music with explicit lyrics.

Telstra supports this proposal. As discussed in further detail in Telstra's submission on the Issues Paper, Media Content Providers have substantial incentives to voluntarily engage in classification activities (eg brand preservation, customer satisfaction etc). In this context, Telstra believes that many providers would avail themselves of voluntary classification processes. This would be particularly likely to occur if the costs of these voluntary classification processes can be minimised, for example through the new forms of standardised classification instruments discussed in the ALRC Discussion Paper.

# 04 Who Should Classify Content?

### 4.1. Response to Proposals and Questions

Proposal 7–1 The Classification of Media Content Act should provide that the following content must be classified by the Classification Board:

(a) feature-length films produced on a commercial basis and for cinema release;

(b) computer games produced on a commercial basis and likely to be classified MA 15+ or higher; (c) content that may be RC;

(d) content that needs to be classified for the purpose of enforcing classification laws; and (e) content submitted for classification by the Minister, the Regulator or another government agency.



Proposal 7–2 The Classification of Media Content Act should provide that for all media content that must be classified—other than the content that must be classified by the Classification Board—content may be classified by the Classification Board or an authorised industry classifier.

Telstra supports these proposals.

Giving classification responsibility for the most prominent and the most sensitive forms of content to the Classification Board would provide a reliable baseline of classification treatment for this content that could then be applied by authorised industry classifiers to less prominent and sensitive forms of content. Such an approach sensibly targets government resource allocation to the classification activities that will have the most significant impact and then provides a cost effective mechanism for ensuring that the benefits of these activities are applied across a broader range of content. Such a regime would deliver the information consumers, parents etc want without being overly burdensome on industry.

Overall, this approach delivers on the ALRC's stated objective of keeping regulation to the minimum level needed to achieve a clear public purpose.

Proposal 7–3 The Classification of Media Content Act should provide that content providers may use an authorised classification instrument to classify media content, other than media content that must be classified.

Telstra supports this proposal.

As outlined in Telstra's submission to the Issues Paper, Telstra believes that experience under the industry codes of practice that govern the free to air, subscription television and online content industries shows that authorised industry classifiers can play a reliable and cost effective role in the classification of media content.

Proposal 7–4 The Classification of Media Content Act should provide that an authorised industry classifier is a person who has been authorised to classify media content by the Regulator, having completed training approved by the Regulator.

Telstra supports this proposal.

Given the role that would be played by authorised industry classifiers under the Classification of Media Content Act, Telstra believes that it is appropriate to require industry classifiers to undertake Regulator approved training.

Proposal 7–5 The Classification of Media Content Act should provide that the Regulator will develop or authorise classification instruments that may be used to make certain classification decisions.

Telstra supports this proposal.

As discussed above, Telstra believes that most media content providers have strong incentives to provide accurate classification information to their customers. To this end, Telstra notes that new forms of low cost, standardised classification instruments (eg user completed content surveys etc) are frequently being voluntarily employed by the operators of user generated content platforms to provide consumers with some guidance as to the nature of that content.

Telstra believes that by providing a framework for the use of these low cost, classification instruments in the Australian environment, the extent of voluntary classification activities undertaken by media content providers could be increased.



Proposal 7–6 The Classification of Media Content Act should provide that the functions and powers of the Classification Board include: (a) reviewing industry and Board classification decisions; and (b) auditing industry classification decisions. This means the Classification Review Board would cease to operate.

Telstra supports this proposal.

Proposal 7–7 The Classification of Media Content Act should provide that the Regulator has power to:

(a) revoke authorisations of industry classifiers;

(b) issue barring notices to industry classifiers; and (c) call-in unclassified media content for classification or classified media content for review.

Telstra supports this proposal.

# 05 Markings, Advertising, Display and Restricting Access

### 5.1. Response to Proposals and Questions

Proposal 8–1 The Classification of Media Content Act should provide that access to all media content that is likely to be R 18+ must be restricted to adults.

Proposal 8–2 The Classification of Media Content Act should provide that access to all media content that has been classified R 18+ or X 18+ must be restricted to adults.

Telstra understands that the ALRC intends to impose this obligation on Media Content Providers (rather than those who are mere conduits for the content eg ISPs), on this basis, Telstra supports these proposals.

Proposal 8–3 The Classification of Media Content Act should not provide for mandatory access restrictions on media content classified MA 15+ or likely to be classified MA 15+.

Telstra welcome's the ALRC's proposal to limit mandatory access restrictions to content classified R18+ or X18+. Telstra understands that limiting access restrictions to R18+ content is consistent with international practice in this area. As noted in Telstra's submission to this Issues Paper, it is more difficult and costly for content providers to effectively restrict access to only those aged under 15 relative to restricting access to those aged under 18. There are few forms of official identification that can reliably be used to determine whether an individual is over 15 years of age if they are under 18 years of age. As such, attempting to specifically restrict access to those aged between 15 and 18 is costly for industry and 'over-restriction' of all MA15+ content to those who can be determined to by over 18 years of age is a common industry practice.

Telstra believes that requiring classification markings will provide adequate information and warnings to consumers and parents about the nature of MA15+ content.

Proposal 8–4 The Classification of Media Content Act should provide that methods of restricting access to adult media content—both online and offline content—may be set out in industry codes, approved and enforced by the Regulator. These codes might be developed for different types of content and industries, but might usefully cover:

(a) how to restrict online content to adults, for example by using restricted access technologies;(b) the promotion and distribution of parental locks and user-based computer filters; and



#### (c) how and where to advertise, package and display hardcopy adult content.

Telstra supports this proposal.

Given the variety of platforms and services that provide access to media content in the modern convergent environment, the most appropriate and cost effective method of restricting access in any particular circumstance is likely to vary from platform to platform and service to service. The differences in the cost and effectiveness of various mechanisms for restricting access are also likely to be commercially and technically complex.

In this context, Industry Codes developed by the parties with the commercial and technical expertise associated with the delivery of media content in these environments is the most appropriate way of determining the specifics of restricted access mechanisms.

Question 8–1 Should Australian content providers—particularly broadcast television—continue to be subject to time-zone restrictions that prohibit screening certain media content at particular times of the day? For example, should free-to-air television continue to be prohibited from broadcasting MA 15+ content before 9pm?

Telstra submits that Time Zone classifications are both outdated and unnecessary in a modern convergent environment. Technological innovation coupled with changing consumer preferences has led to more and more consumers 'time-shifting' their media consumption, either through personal video recorders or 'on-demand' video services. At the same time, in home devices for the consumption of media have provided users, including parents, with a dramatically increased ability to control the classification of the content that they consume at any given hour. Most set top boxes for both Subscription and IPTV now include parental lock functions that allow users to control the classification of the content that they wish their household to be exposed to at any particular time. Both of these trends have been highlighted by ACMA in the findings of its recently released "Digital Australians – Expectations about media content in a converging media environment" report<sup>1</sup>.

Telstra believes that it is no longer practical, nor necessary to regulate the times during which particularly categories of content may be consumed by end users. Instead, policy makers should recognise the opportunities provided by increasing levels of user control over content consumption and support the use of technological solutions like Parental Control functions to give end users confidence in the kinds of content they, or their children will encounter.

Proposal 8–5 The Classification of Media Content Act should provide that, for media content that must be classified and has been classified, content providers must display a suitable classification marking. This marking should be shown, for example, before broadcasting the content, on packaging, on websites and programs from which the content may be streamed or downloaded, and on advertising for the content.

Telstra supports this proposal.

# 06 Classification Categories and Criteria

### 6.1. Response to Proposals and Questions

Proposal 9–4 The Classification of Media Content Act should provide for one set of statutory classification criteria and that classification decisions must be made applying these criteria.

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<sup>&</sup>lt;sup>1</sup> Available online at http://www.acma.gov.au/scripts/nc.dll?WEB/STANDARD/1001/pc=PC\_410199.



Telstra supports this proposal.

Telstra does not believe that there is any evidence supporting the need for differing statutory classification criteria for different forms of content. As discussed above, multiple classification criteria across different forms of content increase regulatory compliance costs for industry. In this context, development of a single set of statutory classification criteria would not reduce the level of information or protection provided to consumers, while providing increased certainty and reduced costs to industry.

Proposal 9–5 A comprehensive review of community standards in Australia towards media content should be commissioned, combining both quantitative and qualitative methodologies, with a broad reach across the Australian community. This review should be undertaken at least every five years.

Telstra supports this proposal.

Telstra agrees that classification policy should be evidence based and informed by a continually evolving understanding of the standards and expectations of the Australian community.

# 07 Refused Classification Category

### 7.1. Response to Proposals and Questions

Proposal 10–1 The Classification of Media Content Act should provide that, if content is classified RC, the classification decision should state whether the content comprises real depictions of actual child sexual abuse or actual sexual violence. This content could be added to any blacklist of content that must be filtered at the internet service provider level.

Telstra submits that requiring the ISP level blocking of a blacklist URLs of Refused Classification content that comprises real depictions of actual child sexual abuse or actual sexual violence would be a feasible and practical to implement approach and could usefully form one element of a multi-faceted approach to this issue.

This approach would be consistent with Telstra's current voluntary ISP blocking policies. As outlined in Telstra's submission to the Issues Paper:

In December 2009, Telstra announced that it would voluntarily implement the blocking of a blacklist of child abuse websites compiled by ACMA<sup>2</sup>.

Since this announcement, and at the request of the Australian Federal Police under s313 of the Telecommunications Act, Telstra has successfully introduced the blocking of a blacklist compiled by INTERPOL as an interim measure while an ACMA blacklist is finalised.

This INTERPOL blacklist contains several hundred domains which host some of the worst examples of child abuse detected on the internet<sup>3</sup>. It has been set up to assist ISPs to limit the distribution of child abuse material in their network and is backed by an INTERPOL "stop page" as a means of increasing transparency. There is also a mechanism to enable domain owners to make a complaint about the blocking of a domain should they believe it is incorrectly placed on the list. The blocking of this INTERPOL blacklist brings Telstra into alignment with major ISPs in the United Kingdom, Scandinavia and Europe.

<sup>&</sup>lt;sup>2</sup> <u>http://telstra.com.au/abouttelstra/media-centre/announcements/telstra-welcomes-australian-governments-online-</u>safety-measures.xml

<sup>&</sup>lt;sup>3</sup> http://www.interpol.int/public/THBInternetAccessBlocking/WorstOfList.asp



Since Telstra has implemented the blocking of this blacklist, the Internet Industry Association has announced its intention to issue a draft industry code to allow other ISPs to voluntarily implement blocking of this list<sup>4</sup>.

As also outlined in Telstra's submission on the Issues Paper, Telstra submits that this approach should be legislatively mandated to ensure that it applies across the industry, the scope of the blocking undertaken is clearly spelt out and is enforceable by law.

# 08 Codes and Co-Regulation

### 8.1. Response to Proposals and Questions

Proposal 11–1 The new Classification of Media Content Act should provide for the development of industry classification codes of practice by sections of industry involved in the production and distribution of media content.

Proposal 11–2 Industry classification codes of practice may include provisions relating to:

(a) guidance on the application of statutory classification obligations and criteria to media content covered by the code;

(b) methods of classifying media content covered by the code, including through the engagement of accredited industry classifiers;

(c) duties and responsibilities of organisations and individuals covered by the code with respect to maintaining records and reporting of classification decisions and quality assurance;

(d) the use of classification markings;

(e) methods of restricting access to certain content;

(f) protecting children from material likely to harm or disturb them;

(g) providing consumer information in a timely and clear manner;

(h) providing a responsive and effective means of addressing community concerns, including complaints about content and compliance with the code; and

(i) reporting to the Regulator, including on the handling of complaints.

Telstra supports this proposal.

As indicated in Telstra's submission on the Issues Paper, Telstra believes that the co-regulatory classification arrangements with respect to online content under Schedule 7 of the BSA have worked reasonably well to date and represent regulatory models worth building on for publications, films and computer games in a reformed classification scheme.

The use of industry codes allows for the incorporation of technical expertise and detail in the implementation of classification processes, whilst avoiding the inflexibility that would result from an attempt to impose this level of detail through direct regulation.

Proposal 11–3 The Regulator should be empowered to approve an industry classification code of practice if satisfied that:

(a) the code is consistent with the statutory classification obligations, categories and criteria applicable to media content covered by the code;

(b) the body or association developing the code represents a particular section of the relevant media content industry; and

(c) there has been adequate public and industry consultation on the code.

<sup>&</sup>lt;sup>4</sup> http://www.iia.net.au/index.php/all-members/892-internet-industry-moves-on-blocking-child-pornography.html



Telstra supports this proposal.

Telstra notes that the ALRC proposes that under the proposed Classification of Media Content Act, the Regulator should be given the power to approve industry codes. To ensure that the approach that the regulator takes to industry codes is consistent with the broader approach that the ALRC has taken to the development of the proposed Classification of Media Content Act, Telstra submits that the act should provide that the Regulator *must* accept a code if it is satisfied of the requirements set out above. Such a requirement would encourage industry to develop the kinds of codes envisaged by the ALRC, while protecting against the potential regulatory scope creep through the imposition of additional obligations in industry codes by the Regulator as a condition of acceptance.

Proposal 11–4 Where an industry classification code of practice relates to media content that must be classified or to which access must be restricted, the Regulator should have power to enforce compliance with the code against any participant in the relevant part of the media content industry.

While Telstra supports the voluntary development of industry codes as a way to facilitate the detailed implementation of the classification obligations set out in the Classification of Media Content Act, Telstra submits that caution must be used when attempting to make these codes universally enforceable against *"any participant in the relevant part of the media content industry"*.

At present, there are a number of industry organisations in Australia with memberships and activities that touch on the development and distribution of online content. However, most major Australian Media Content Providers are not members of all of these organisations. Given this uneven membership of multiple industry groups dealing with issues related to online content, the ALRC's proposal creates the risk of binding *'participants in the relevant part of the media content industry*' to industry codes to which they have not been enfranchised to contribute to their terms. Such an outcome would undermine the ALRC's objective of using industry codes to develop a more detailed implementation of classification obligations reflective of the technical and commercial expertise of industry participants.

To this end, Telstra submits that the Classification of Media Content Act should include checks and balances as to the representativeness of the process for developing an industry code before being empowered to enforce it more broadly. Major Australian Media Content Providers should be entitled not only to be consulted on the content of an industry code that may be enforced against them, but to be enfranchised to have a proportionate say in the final terms of such a code.

# 09 The New Regulator

### 9.1. Response to Proposals and Questions

Question 12–1 How should the complaints-handling function of the Regulator be framed in the new Classification of Media Content Act? For example, should complaints be able to be made directly to the Regulator where an industry complaints-handling scheme exists? What discretion should the Regulator have to decline to investigate complaints?

Telstra submits that the Classification of Media Content Act should focus on delivering the outcomes intended by the act rather than formalistic enforcement processes. To this end, Telstra submits that the act should provide that consumers be required to lodge complaints with Media Content Providers or with any relevant industry complaints handling scheme established under the act in the first instance. Under an outcomes based approach, a graduated approach to addressing complaints should be adopted.

Media Content Providers should be given the opportunity to address and resolve any classification issue with the consumer before investigation or enforcement processes are undertaken. If the consumer is unable to resolve their issue with either the Media Content Provider themselves or the industry



complaints handling scheme, only then should they be entitled to lodge a formal complaint with the Regulator.

Telstra submits that where the Regulator determines that a breach has occurred, a graduated approach to enforcement should also be adopted. Given the volume of content in converged environments and the highly dynamic way in which this content is produced and consumed, enforcement action in response to minor or incidental breaches of classification obligations should focus on corrective orders. More servre enforcement action should be reserved for Media Content Providers who have engaged in repeated, or systemic breaches of their classification obligations.

Proposal 12–1 A single agency ('the Regulator') should be responsible for the regulation of media content under the new National Classification Scheme. The Regulator's functions should include:

(a) encouraging, monitoring and enforcing compliance with classification laws;

(b) handling complaints about the classification of media content;

(c) authorising industry classifiers, providing classification training or approving classification training courses provided by others;

(d) promoting the development of industry classification codes of practice and approving and maintaining a register of such codes; and

(e) liaising with relevant Australian and overseas media content regulators and law enforcement agencies.

In addition, the Regulator's functions may include:

(f) providing administrative support to the Classification Board;

(g) assisting with the development of classification policy and legislation;

(h) conducting or commissioning research relevant to classification; and

(i) educating the public about the new National Classification Scheme and promoting media literacy.

Telstra supports this proposal.

Telstra particularly emphasises the importance of functions (h) and (i) outlined above. The research and education functions of the Regulator will play an increasingly important role in the success of the classification scheme as the process of convergence continues to change media and content industries. To this end, Telstra submits that the ALRC's final report should highlight the importance of the Government adequately funding the Regulator to perform these functions.

## 010 Enacting the New National Classification Scheme

### **10.1.** Response to Proposals and Questions

Proposal 13–1 The new Classification of Media Content Act should be enacted pursuant to the legislative powers of the Parliament of Australia.

Telstra strongly supports this proposal and believes that there is adequate constitutional power for the Commonwealth to enact the Classification of Media Content Act.

As outlined in Telstra's submission to the Issues Paper, modern media content industries are national and frequently international in nature. Differing state based classification regimes significantly increase regulatory compliance costs for industry with little consumer benefit. In this context, ensuring a consistent and certain national classification regime is important for the success of the Australian classification scheme.

Telstra particularly welcomes the ALRC's intent that the proposed Classification of Media Content Act 'cover the field' and include an express intention that the act renders inoperative any concurrent state



legislation in the field under s109 of the *Constitution*. As set out in Telstra's submission on the Issues Paper, the absence of such a statement with respect to online content regulation under the *Broadcasting Services Act* is a source of unnecessary regulatory uncertainty for online content providers.

Proposal 13–2 State referrals of power under s 51(xxxvii) of the Australian Constitution should be used to supplement fully the Parliament of Australia's other powers, by referring matters to the extent to which they are not otherwise included in Commonwealth legislative powers.

Telstra supports this proposal, however, for the reasons set out above, this proposal should only be adopted if Proposal 13-1 is determined to be unachievable.

# 011 Enforcing Classification Laws

### 11.1. Response to Proposals and Questions

Proposal 14–1 The new Classification of Media Content Act should provide for enforcement of classification laws under Commonwealth law.

Telstra supports this proposal.

For the reasons discussed above and set out in further detail in Telstra's submission on the Issues Paper, Telstra supports the consolidation of classification law functions within a single jurisdiction under a single regulator.

Proposal 14–2 If the Australian Government determines that the states and territories should retain powers in relation to the enforcement of classification laws, a new intergovernmental agreement should be entered into under which the states and territories agree to enact legislation to provide for the enforcement of classification laws with respect to publications, films and computer games.

Telstra supports this proposal, however, for the reasons set out above, this proposal should only be adopted if Proposal 14-1 is determined to be unachievable.

Proposal 14–3 The new Classification of Media Content Act should provide for offences relating to selling, screening, distributing or advertising unclassified material, and failing to comply with: (a) restrictions on the sale, screening, distribution and advertising of classified material;

(b) statutory obligations to classify media content;

(c) statutory obligations to restrict access to media content;

- (d) an industry-based classification code; and
- (e) directions of the Regulator.

Telstra supports this proposal.

Proposal 14–4 Offences under the new Classification of Media Content Act should be subject to criminal, civil and administrative penalties similar to those currently in place in relation to online and mobile content under sch 7 of the Broadcasting Services Act 1992 (Cth).

Telstra supports this proposal.