Submission to the Australian Communications and Media Authority
Contemporary Community Safeguards Inquiry Issues Paper

15 July 2013
Introduction

The Australian Subscription Television and Radio Association (ASTRA) welcomes the opportunity to comment on the Australian Communications and Media Authority (ACMA) Contemporary Community Safeguards Inquiry Issues Paper (‘the Issues Paper’).

About ASTRA

ASTRA is the peak industry body for subscription television (STV) in Australia. ASTRA was formed in September 1997 when industry associations representing subscription (multichannel) television and radio platforms, narrowcasters and program providers came together to represent the new era in competition and consumer choice. ASTRA’s membership includes the major STV operators, as well as channels that provide programming to these platforms.

General Comments

Very low levels of subscriber complaint

ASTRA submits that any consideration of codes of practice governing STV must take into account the very low volume of complaints about programming, advertising and complaint-handling received under the existing ASTRA Codes of Practice.

For example, between 1 April 2012 and 31 March 2013 fewer than 70 complaints were received by STV broadcasting licensees under these code provisions, which are the provisions that relate to matters considered in the Issues Paper.

Given that one in three people subscribe to STV in Australia— with STV broadcasters reaching around 2.3 million homes and 7.2 million Australians— this is an exceptionally low rate of complaint relative to the subscriber base, and indicates that there is no ‘problem to fix’ by way of significant changes to ASTRA’s Codes.

Rationale for the issues and concepts examined in the Inquiry

ASTRA broadly agrees with the seven principles identified in the Issues Paper. For example, it is clear that the principle of protection of children is relevant to the ongoing application of classification provisions, so long as those interventions are appropriate to the viewing platform and consumer expectations of the particular service.

Similarly, the concept of redress remains a relevant and useful core principle in the code context—STV providers will always give priority to effective avenues of complaint to redress subscriber concern because if they do not they risk losing the subscriber.

The only apparent anomaly is the inclusion of ‘Australian identity’ as a principle generally relevant to code making. While it is a matter for Government rather than the ACMA, ASTRA notes that it is inconsistent that STV, a service which does not use public spectrum, should be subject to legislative Australian content requirements, while free-to-air (FTA) commercial radio services, which use public spectrum, are subject to Australian content requirements contained in codes which are subject to regular negotiation with the ACMA. Given STV’s legislative obligations there would be no justification for including further Australian content obligations in STV codes of practice.

Furthermore, while the principle of protection of the public may be relevant to code interventions such as privacy protections and protections against hatred and vilification, it

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should not be used as justification to expand in codes of practice regulatory interventions relating to issues such as captioning and emergency warnings where these matters are already the subject of extensive obligations in primary legislation. Further detail on this issue is set out below.

While ASTRA considers that the other key concepts identified in the Issues Paper are relevant to code making this does not mean that consistent use of these principles should result in uniform application of regulation across sectors. Consumer expectation of particular services, as well as the nature of the industry being regulated must guide code-related decision making.

Regulatory policy and other underlying principles

Further to the principles identified by the ACMA, the Introduction to the Issues Paper sets out a number of useful reminders about the principles established by the Broadcasting Services Act 1992 (BSA), and the explanatory material that underpins the BSA, that form the framework within which broadcasting codes are developed and registered.

It will be important that when, at the conclusion of this Inquiry, the ACMA issues guidance as to how consumer protections of enduring relevance should be addressed in broadcasting codes, it also links its recommendations to these defining principles:

- **Rules should be clear, stable and predictable and establish minimum requirements**—in particular, ASTRA agrees with the principle enunciated during the Convergence Review that regulation should be set at a level which is the minimum needed to achieve a clear public purpose. We are pleased that the ACMA has confirmed in the Issues Paper that its disposition is to ‘support the minimum level of regulatory invention necessary to achieve the desired aim’.

- **The regime should be flexible to enable responsiveness to changing circumstances**—this will be particularly important as consumer expectations change over time and competition intensifies between traditional broadcasters and new media services (which remain subject to significantly lower regulatory burdens).

- **Regulation should enable public interest considerations to be addressed in a way that does not impose unnecessary financial and administrative burdens on broadcasters**—ASTRA welcomes the ACMA’s upcoming research of the economic impact of compliance with codes of practice because it must always be kept in mind that if regulatory costs become excessive the better business decision may be to cease services, especially in the STV environment where audiences are small and apparently insignificant incremental costs may quickly undermine the financial viability of a channel. Loss of services due to excessive regulation brings obvious consumer detriment, but also reduces diversity of voices in the media market.

- **Regulatory controls should be applied according to the degree of influence that different types of services exert in shaping community views in Australia**—ASTRA considers that this legislative principle remains relevant and should be kept in mind when comparing the codes of practice of different sectors. For example, it should be noted that compared with STV providers the FTA networks retain a significant degree of influence

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6 BSA, s.4.
7 Which would be inconsistent with: the object of the BSA that it ‘promote the availability to audiences throughout Australia of a diverse range of radio and television services offering entertainment, education and information’ (BSA, s.3(1)(a)); and, the role of the ACMA in achieving the objects of the BSA (BSA, s.5(1)).
8 BSA, s.4.
through their privileged access to spectrum, near universal coverage and regulatory protections. This is relevant to the degree of regulation applied.

Finally, ASTRA endorses the ACMA’s reference to the principles of calibration, global engagement and shared responsibility.

Calibration is a useful way of describing the process of fitting regulation with the particular circumstances, and consumer expectations of a service—for example, different regulatory arrangements will be appropriate for an opt-in STV service compared with a universally available FTA service.

Being mindful of the globalisation of media is also important, not only to ensure that Australian broadcasting regulation does not fall out of step with frameworks in other jurisdictions, but because it will become increasing illogical to consumers where regulations are inconsistent across countries and media platforms. For example, if *Game of Thrones* is available on STV and exactly the same episodes are available online via iTunes consumers have a right to expect that the regulatory framework applying to these two services will be coherent.

STV providers strongly endorse the concept of consumer empowerment, and as a result the concept of shared responsibility for avoiding harm. Increasing choice for consumers is the foundation of STV and is evident through the range, availability and portability of programming available to subscribers. However, with this choice STV platform providers offer controls and limits to help subscribers manage their viewing; and, in particular, to avoid harm to children. For example, Foxtel’s Parental Control System allows subscribers to share responsibility for avoiding harm by blocking channels, limiting viewing by classification and setting purchase restrictions.

**Comments on specific issues raised in the Issues Paper**

ASTRA makes the following comments on specific issues raised in the Issues Paper.

1. **Community values – classification and decency**

   **Community values**

   ASTRA agrees that the concept of ‘community values’ is relevant for inclusion as a guiding core principle in contemporary broadcasting codes of practice. We would emphasise, however, that it is important to draw a distinction between material that may offend or be deemed ‘inappropriate’ by a proportion of the community (even a significant proportion of the community) and the appropriate regulatory response to that material. It is reasonable that while some material may be confronting or even offensive to some people, this should not necessarily prevent that material being available to others who wish to view it.

   Any framework for the regulation of broadcasting content must recognise that community standards are neither static nor universal. Rather, standards will change over time and are likely to differ depending on the context in which material is accessed and used. There may also be different community expectations regarding the extent to which material made available on freely and universally accessible broadcast platforms is regulated, compared to more niche, specialised material that consumers actively seek out on a discretionary basis.

   **Classification**

   As we have noted in previous submissions to the Convergence Review and the Australian Law Reform Commission, ASTRA supports the existing National Classification Scheme.

   ASTRA supports the principle that where content is classified it should be subject to the same classification criteria, regardless of the platform, and the general principle that information on
content is important to broadcast audiences. However, despite the convergence of platforms and devices, there may remain different community expectations regarding how content is accessed on different types of broadcasting services. That is, while we agree that common classification categories should be adopted, other interventions, such as requirements for consumer advice, should be set by reference to the nature of, and expectations of different platforms and services.

Consistent regulation across different media and communications sectors does not mean that all services and platforms should be regulated in the same way. Consumers access and use content in different ways depending on the service or platform, and have different expectations about how that access and use of content from different platforms should be regulated.

The regulatory requirements that apply to content provided by different platforms and services should continue to reflect the degree of influence that a particular type of service has and the community expectations in relation to that service. Content regulation that may be relevant and appropriate for freely-available, advertiser-funded content platforms will not necessarily be relevant or appropriate for other content delivery platforms.

Any ‘harmonisation’ of code requirements should not mean more restrictive content obligations on services such as STV that are discretionary, subscription-based, and may serve niche, targeted audiences.

**Material exempt from classification**

ASTRA submits that sport, news and current affairs programming should continue to be exempt from the requirement to be classified. In relation to ‘sporting events’, such an exemption should apply to a broader range of sporting programs (for example, sports-based discussion panel or highlights shows), similar to the range of programming that would be captured under ‘current affairs’ (which would include both nightly, short-story format programming such as Today Tonight and Lateline, as well as more in-depth periodic programs such as Four Corners).

**Consumer advice**

Consumer advice requirements should have the flexibility to enable broadcasters to tailor the provision of advice in ways most appropriate to the manner in which that content is accessed and used, and should also take into account the technological capacity of different broadcast platforms.

ASTRA supports the conclusion of the ALRC Classification Review that:

subject to minimum statutory requirements regarding display of consumer advice…the ALRC suggests that industry codes may detail how and where consumer advice would be provided—taking into account the technological capability of the relevant platform and the most appropriate and effective ways to convey this information to audiences.  

This flexibility should apply to both the provision of consumer advice and classification markings for programming.

ASTRA further submits that the existing provisions under the ASTRA Codes are appropriate for promotions for material with a higher classification within material of a lower classification. Under clause 2.3 of the Subscription Broadcast Television Codes of Practice (SBT Codes), the content of program promotions, news updates and news promotions "will be consistent with the classification of the programs during which updates or promotions appear and will, where relevant, include classification information about the programs being promoted."

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Decency

Under clause 1.1 of the Subscription Narrowcast Radio Codes of Practice, the content of program material and advertisements delivered on narrowcast services “will be consistent with standards acceptable to the relevant specific audiences involved.”

In relation to appropriate consumer advice for subscription narrowcast radio services, subscription radio services provided by ASTRA STV licensees already provide descriptions of the type of content presented. ASTRA submits the current provisions are appropriate, and there is no evidence of a need for further regulation of content ‘deemed to offend decency’ on subscription narrowcast radio.

Any test of ‘acceptable community standards’ must be applied in the context of the target audience. The ACMA formulation in the Issues Paper in relation to assessing community standards does not appear to take into account (at least to a sufficient or appropriate degree) the context of the target audience. It may be that the ‘current consensus’ of the target audience regarding ‘acceptable standards of decency’ may differ from other sections of the community unlikely to consume that material.

In assessing standards of decency within the context of the target audience, basic demographic information may assist in informing an assessment of that audience, however audiences for particular niche programming may not necessarily demonstrate particular demographic characteristics.

2. Protection of children – time zones

ASTRA agrees that protection of children should be a core guiding principle, recognising the primacy of parents/adults in providing protection from harm (consistent with the ACMA’s principle of shared responsibility). It is important, however, that the means by which protection is achieved is relevant and appropriate to community expectations regarding the nature of the service, and how content is accessed and used.

Time zones have never been appropriate for STV, given its discretionary nature and subscription-based access, and the expectations of STV subscribers to (as adults) be able to watch what they want when they want, with the confidence to be able to manage children’s access to content on STV. STV subscribers also have the security of knowing there are a wide variety of channels on STV specifically dedicated to programming for children available at any time and that the Parental Control System can be used to limit access to just these channels.\(^\text{10}\)

ASTRA recognises that in a world where content is increasingly viewed on demand or in catch up mode, time zone restrictions may be less relevant. However, such regulatory interventions may continue to be relevant for universally and freely accessible broadcasting platforms such as FTA television. For example, there may still remain community expectations regarding “child-safe” viewing times for FTA television. Commercial FTA television broadcasters have traditionally been subject to more extensive social and cultural policy obligations in return for regulatory concessions such as protection from competition and guaranteed access to public spectrum. Any changes to content regulation must be considered in the wider regulatory context, and the historical and continuing regulatory concessions and financial assistance granted to FTA television in return for more extensive requirements designed to achieve the Government’s social and cultural policy objectives.

\(^{10}\) Foxtel internal research shows high awareness across the subscriber base of the Foxtel Parental Control System, with significantly higher awareness and benefit ratings amongst subscribers with children under the age of 12.
3A. Ethical Standards – news and current affairs

Accuracy

It is a matter of good journalistic practice that news and current affairs coverage of matters of public interest be accurate and fair. This good journalistic practice is central to subscriber confidence in these services, and in turn satisfaction with the services and willingness to purchase and retain subscriptions.

To the extent that the ACMA groups matters relating to good journalistic practice in news and current affairs programs under the heading ‘ethical standards’, ASTRA considers that it is a relevant principle.

The Issue Paper notes that the concept of ethical standards relates to constructive participation by citizens in Australian democratic processes. ASTRA believes that the concept is appropriately applied to news and current affairs programs which provide citizens with information to assist making decisions relating to Parliamentary representation and other matters relevant to Australian democratic process.

However, the ACMA uses the term ‘information-reporting’ to describe content that may be subject to accuracy requirements, suggesting that the reference to news and current affairs in s.123(2)(d) of the BSA is a ‘starting point’. ASTRA strongly submits that there is no case for expanding accuracy requirements to genres other than news and current affairs.

It would be inappropriate, for example, to apply new requirements to genres such as lifestyle and light entertainment which may contain ‘information-reporting’ or be considered ‘factual’—because this programming is not relevant to informing citizens in relation to democratic processes.

The existing accuracy provisions in the ASTRA Codes work effectively and there is no evidence of a need to tighten them. Complaints to STV licensees regarding news and current affairs programming are exceedingly rare. Additional regulation should only be contemplated where there is clear evidence of its need—no such evidence has been demonstrated for news and current affairs programming on STV.

It is noted that any consideration of accuracy can only be appropriately made on a case-by-case basis. There can be no ‘hard and fast’ prescriptive rule to determine the accuracy of a news program or segment. For a 24 hour breaking news channel like Sky News, for example, a situation may be very fluid and the accuracy of information reported may be hard to pinpoint, especially as the story evolves during rolling coverage. The old days of verifying information through several sources before publishing are gone. This calls for a new form of accuracy, including transparency about the state of knowledge, the nature of any source being relied on, as well as the capacity to clarify information as a story develops.

Corrections

Similarly, the timing and format of corrections of errors of fact should be considered on a case-by-case basis. The current provisions of the ASTRA Codes relating to corrections are working effectively with no evidence for change. In particular, it remains appropriate that the correction requirements in the SBT Codes apply to significant errors of fact. This is consistent with the principle that all remedial requirements should be proportionate to the nature of the conduct to be remedied.

STV broadcasters take their obligations under the ASTRA Codes very seriously, and there is no evidence that a new type of sanction relating to orders to make an on-air correction or statement of finding is needed under the existing co-regulatory framework.
ASTRA would oppose further explicit requirements in a code of practice for on-air corrections. The broadcasting of on-air statements at the compulsion of the regulator would raise significant free speech concerns—the role of media in relation to public discussion in Australia would make any such power significantly different from similar powers in relation to the regulation of other sectors of Australian industry. The principle of free speech requires that editorial content is determined by the media entity, not by the Government or a government agency.

**Fairness**

The existing provisions in the ASTRA Codes regarding fairness are also working effectively. Nonetheless, the ACMA has asked whether, given the proliferation of sources of professionally produced content, fairness regulation is still necessary in broadcasting codes of practice.

While ASTRA has not sought to amend existing provisions of its codes of practice, which include requirements for fairness in news and current affairs, we note that in principle we consider that diversity of news, views and opinion in media is best promoted through regulatory settings that encourage competition and innovation in the communications sector—rather than through attempts to ‘enforce’ balance on each individual media entity.

From the ACMA’s perspective we appreciate that determining whether the presentation of news provides appropriate ‘balance’ of ‘significant viewpoints’ inherently involves some subjective assessment, which is difficult. As such, it is valid that the ACMA consider the operability and ongoing need for provisions of this nature.

**Simulating news or events in an alarming or misleading way**

The ACMA has also asked whether material which simulates news or events in an alarming or misleading way should continue to be subject to regulatory intervention.

ASTRA does not object to the inclusion in its current codes of practice of prohibitions against simulating news or events in a way that misleads or alarms the audience and agrees that it is appropriate to align such interventions to the concept of ‘Ethical Standards’.

**3B. Ethical standards – advertising**

The Issues Paper describes regulatory interventions grouped under the principle of ‘ethical standards’, including those relating to transparency, as relating to information that assists citizens to participate constructively in Australian democratic processes.

ASTRA accepts that transparency in advertising is important, but contends that this relates to ensuring audiences are not misled or deceived in relation to the product and service being advertised. Protecting Australians as consumers is a different purpose to enhancing Australians’ ability to participate in democratic processes. If the ACMA is to devise a principle to guide code interventions relating to advertising ASTRA submits that this should be distinguished from principles relating to news and current affairs provisions.

Code provisions relating to transparency have a different purpose to FTA regulatory interventions relating to hourly limits on non-program matter, including advertising. Such limits have traditionally been described as meeting FTA viewers’ interests in ‘uncluttered program presentation’.

However, ASTRA considers that these FTA interventions are better viewed as a *quid pro quo* for using scarce public spectrum. That is, because FTA broadcasters use scarce public spectrum it is appropriate that their commercial interests not overwhelm viewer benefit resulting in unlimited advertising. When characterised in this way, FTA time limits on non-program matter are not a matter of transparency, but of a fair return to the tax payer for use of public spectrum.
**Transparency**

STV providers are very conscious of what subscribers want, and do not want, including in relation to advertising, sponsorship and branding material. If there are too many advertisements, or sponsorship material is obtrusive or not transparently presented, then subscribers have a direct communication channel to the broadcaster and will cease subscribing if the concern is not rectified. STV providers adjust their advertising and sponsorship practices to avoid losing subscribers.

ASTRA Codes include provisions requiring that advertisements and other promotional matter be readily distinguishable from program material and consistent with audience standards. In addition, news and current affairs programs must be presented impartially, which can be read to include a requirement that these programs must not be influenced by advertisers’ imperatives. Therefore, the Codes already provide additional protections in relation to news and current affairs, which ASTRA considers is appropriate given the role of these programs in informing the democratic process.

ASTRA does not support intrusive regulations requiring super-imposed logos indicating product placement. It is more effective to identify the actual commercial products featured in a program by including details in program credits or program websites than to include a generic and intrusive logo during a program.

**Time limits for advertising/non-program matter**

It is not necessary to have time limits on advertising and non-program matter on STV because, as noted above, STV providers are already very responsive to viewer preferences and adjust advertising presentation accordingly. STV providers in Australia broadcast around half the amount of advertising compared to commercial FTA broadcasters, and vary the number of advertisements depending on the nature of the content. In recent years, STV providers have sought to reduce the frequency and length of breaks on STV channels.

Furthermore, it is appropriate that STV broadcasters not be subject to hourly limits on non-program matter in the way that FTA broadcasters are because STV does not use public spectrum.

4A. Protection of the public – privacy

ASTRA would agree that ‘protection of the public’ is a valid guiding core principle for broadcasting codes of practice, and that it would be appropriate to connect privacy concerns with this principle. As the ACMA notes in the Issues Paper, in relation to the presentation of news and current affairs, privacy concerns need to be balanced against the media’s responsibility to inform the public about matters of public interest.

While ASTRA recognises the extent of information sharing in the online context, the concept of degree of influence still retains relevance for the regulation of broadcasting services. As such, the case for comprehensive privacy obligations on the more influential broadcasting services (such as commercial FTA television) may still be valid.

In relation to STV, ASTRA submits that the existing privacy provisions in the ASTRA Codes, in combination with regulatory oversight by the ACMA (including with reference to the privacy guidelines) work effectively to provide appropriate protection for the public without unduly restricting STV providers from informing the public on matters of public interest. ASTRA submits that there is no evidence of any need for more restrictive privacy regulation of STV services.
Re-broadcasting of material made available online

The appropriateness of a STV service re-broadcasting material posted to YouTube or a social networking site can only be judged on a case-by-case basis, against the existing privacy provisions in the ASTRA Codes. It would not be feasible to introduce 'hard and fast' rules regarding the re-broadcast of online and publicly accessible material.

Privacy of public figures

The balance between respecting the privacy of individuals and the right of the public to be informed on matters of public interest should be determined in the same manner when dealing with public figures as it is when dealing with general members of the community.

The extent to which this would lead, in some circumstances, to greater public scrutiny of a public figure, and the extent to which such scrutiny is appropriate, would depend on the circumstances and the matter of public interest at issue.

Types of programming subject to privacy protections

ASTRA is not aware of any issues relating to privacy concerns in documentaries or reality programs that would warrant an extension of the current privacy provisions in the ASTRA Codes.

ASTRA believes that existing practices and procedures for obtaining consent are sufficient and appropriate, and is unaware of any concerns regarding 'observational documentaries' or similar programming broadcast on STV.

4B. Protection of the public – interventions

As a general point, measures to protect the public through interventions designed to address matter that is likely to incite hatred against or vilify must always be balanced against the right of adults to see and hear the content they want when they want it.

ASTRA is comfortable with existing provisions in the ASTRA Codes designed to address matter likely to incite hatred against or vilify, and is not aware of any evidence that these provisions are ineffective or inadequate.

4C. Protection of the public – emergency information

The ACMA has asked about the current level of reliance, if any, placed on the broadcast of emergency information. While ASTRA is not aware of data on viewer reliance on particular broadcasting services for emergency information it is noted that the Australian News Channel (ANC), producer of Sky News, has a proud record of service delivery of emergency warnings. ANC broadcasts more emergency warnings than any other television service and was the first television service to sign agreements with the states of South Australia and Victoria to provide emergency warnings.

The ACMA has also asked whether it is still appropriate for contemporary codes of practice to include regulatory interventions about the broadcast of emergency information. ASTRA submits that codes of practice are generally not the appropriate vehicle for regulation relating to emergency information.

We note that requirements relating to broadcasting information about emergencies are already contained in legislation. For example:

- clause 10(1)(d) of Schedule 2 the BSA contains a standard licence condition for STV broadcasting licensees that requires a licensee to allow access and control over
broadcasting facilities to persons authorised by the Minister where an emergency has arisen which makes such control important in the public interest; and

- subsection 130ZZB(3) of the BSA sets our requirements for the provision of emergency warnings in text and speech, and for warnings to be captioned where reasonably practicable.

ASTRA submits that it is appropriate that substantive requirements relating to emergency information be set out in legislation rather than codes of practice.

5. **Access – Captioning**

ASTRA would support ‘access’ as a high-level core principle underpinning contemporary codes of practice. However, we would be concerned if this could lead to more onerous regulatory obligations under the Codes beyond those that may be developed through current Government consultative processes.

Captioning is now a highly regulated area for broadcasters, including significant compliance and reporting obligations. There would not appear a need for further code-based obligations in relation to captioning levels, quality or compliance. ASTRA could, however, envisage a role for the codes in relation to providing information to subscribers regarding captioning programming that is available, if there was evidence to demonstrate that such provisions are required.

6. **Australian identity – requirements for Australian music**

As stated above, ASTRA does not regard ‘Australian identity’ as a principle generally relevant to code making.

ASTRA would be concerned if interventions regarding ‘Australian music’ meant greater regulatory obligations on the extremely niche market for subscription radio services. Any Australian music requirements on these services would render most, if not all, commercially unviable.

7. **Redress – methods of handling and responding to complaints from members of the public**

STV providers have a clear commercial incentive to provide appropriate redress to aggrieved subscribers. Effective and accessible complaint-handling and redress procedures are important to retaining subscribers, and are appropriately set out in codes of practice.

The ACMA has asked about effective and accessible information about complaints-handling avenues. It is noted that ASTRA and STV licensees provide information about complaints-handling processes online and that licensees also promote the availability of the ASTRA Codes (which contain complaints-handling procedures) at the time of subscription via the subscription agreement, in printed program guides and on-air.

ASTRA submits that, consistent with the ACMA’s principle of calibration, methods of handling complaints should be appropriate to the structure of the industry regulated by the relevant codes of practice.

The STV business model is different to other broadcasting sectors and is very responsive to subscriber needs, including in relation to complaints-handling. For example, STV licensees accept written complaints in a number of forms, including by direct email (this contrasts with the Commercial Television Industry Code of Practice, which specifically excludes written complaints by email direct to commercial television broadcasting licensees).

The flexibility of access for STV subscribers to complaints-handling avenues means that written complaints come to licensees through a variety of sources, including complaints first directed to
third-party channel providers. Therefore, ASTRA submits that the current time limit for complaints under the ASTRA Codes properly takes into account the STV business model while still ensuring complaints by STV subscribers are dealt with as quickly and effectively as possible.