

## Submission 12

### **Submission to House of Representatives Committee on Communications, Information, Technology and The Arts.**

#### **INQUIRY INTO COMMUNITY BROADCASTING.**

##### **Re: restriction of content in Sponsorship Announcements.**

**The committee of South Gippsland Community Radio Inc. submits current requirement to tag sponsorship announcements should be optional.**

*Part 5.9.1 (b) of The Act states:*

*Each community broadcasting licence is subject to the following conditions: the licensee will not broadcast advertisements, and the licensee will not broadcast sponsorship announcements otherwise than as mentioned in this clause.*

The “*Guideline for broadcasting sponsorship announcements*” published by the Australian Broadcasting Authority in 2003 defines a Sponsorship Announcement as ‘an acknowledgement of financial support given by a sponsor to a community broadcasting licensee or a program broadcast on the service provided under the licence’.

The announcement may also promote the activities, events, products, services or programs of the sponsor, provided that it contains an acknowledgement of financial support by the sponsor of the licensee or the program.

Other than an obligatory “sponsorship tag”, the Act does not restrict what information can be provided about the sponsor. Promotional language, product range details and price information can be broadcast.

**In the “real” world.....**

The material allowable in such announcements is “advertising”.

If a listener hears 15, 30 or 60 seconds of promotional language listing activities, events, products or services of the sponsor, they consider this to be an advertisement, and it is usually presumed to be paid for.

**What rationale is behind a requirement to state the obvious by tagging these announcements as “sponsorship”?.....**

There is little written information giving reasons for this requirement.

One theory is that it was included at the request of the Commercial sector, claiming they pay for their licence and the Community sector is Government supported and does not pay licence fees or tax.

If such an argument carried weight when the requirement was first formulated, it no longer does so as much has changed since then.

In this time, much of the regional Commercial Radio sector has moved to the control of fewer owners, with programming generated and distributed from central “hubs”.

In many areas this leaves the local Community Radio station as the only service providing continuous locally generated programming.

The Commercial Radio interests have been granted additional licences which have been used to achieve economies in scale, with even less concern for local issues.

Costs in the Community Radio sector have also risen as revenue to Community Radio is now subject to G.S.T. and the sector incurs extra costs in collecting and reporting of this tax.

**How does this affect local regional business?.....**

It must be conceded that tagging the words “sponsorship announcement” to material that is in essence advertising, lessens the effectiveness of the announcement in its primary intention - to advertise. Otherwise, the Commercial sector would have no opposition.

This discriminates against small business in small regional towns who do not have the financial resources to access Radio advertising on Commercial Radio, usually based in larger centres with advertising rates reflecting their larger audience reach.

It is suggested by some small business operators that their “advertisement” does not generate their selling message while there is potential for a listener to have to consider also that it may be only an acknowledgement of financial support for the Community station. It is like comparing their advertisement in the local newspaper with a “support” advertisement in the local school or sports magazine.

**It is submitted that.....**

This Inquiry should consider, and recommend that tagging of advertising messages on Community Radio be optional.

Stations wishing to avoid “commercialisation” can therefore continue to tag advertisements, leaving others free to offer local business the opportunity to use the medium without having to downgrade the potency of the message.