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Monday
12 July 1993

PROVINCIAL PRESS ASSOCIATION
PROVINSIALE PERS VERENIGING

PSCP/cp/837

6th FLOOR - NORTH WING
NEEDHANK GARDENS - 33 BATH AVENUE
ROSEBANK 2196 - SOUTH AFRICA
PO BOX 47180
PARKLANDS 2121
SOUTH AFRICA

TO : Ms Melody Emmett
Multi Party Negotiating Process
World Trade Centre
Kempton Park

6th FLOOR - NOORDHE KAPTEUFEL
NEEDHANK GARDENS - BATH AVENUE 33
ROSEBANK 2196 - SUID-AFRIKA
POSBUS 47180
PARKLANDS 2121
SUID-AFRIKA

Fax Number : 397-2211 TEL: 011 - 447 1266

FOR ATTENTION : MEMBERS OF THE TECHNICAL COMMITTEE ON THE
INDEPENDENT BROADCASTING AUTHORITY BILL

FAX : FAKS 011 - 447 1269

Dear Sirs,

SUBMISSIONS ON THE FOURTH WORKING DRAFT OF THE IBA BILL

The Provincial Press Association ("PPA"), comprising of 123 smaller newspapers in the rural and peri-urban areas throughout South Africa, respectfully hereby make submissions on the Draft Independent Broadcast Authority Bill ("the Bill") as follows :-

1. The interest that the PPA members have in the Bill is that:
 - (a) The authority may designate a local licence area and
 - (b) grant a private sound broadcasting service in such area, which could seriously affect the economic interests and continued existence of small, local newspapers servicing the same community as that defined in the local licence area.
2. PPA members are all smaller newspapers serving local communities and have limited regional coverage. Typically they are named after the town or rural district they serve and are all non-political, bi-lingual (though usually predominantly one language) and by their very nature draw their revenue from that specific local area. About half of PPA membership is free distribution newspapers depending entirely on advertising revenue for income. For the rest ad income is the bulk and only a small portion comes from the cover price, on sale of newspapers.
3. The PPA believes that local newspapers perform an important social function in local communities carrying local news, entertainment and enlightenment in a way which only the printed word can do. This does not deny the value of electronic media, but emphasises the inter relationship and media synergy which exists.
4. The fact remains that in defined local communities, usually identified by small town(s) and districts other than the half dozen main cities of South Africa, the potential revenue for advertising in a local medium is limited, This is shown by the fact that it is usually not economic for more than one local newspaper to serve that particular area, hence they are economically driven to be non-political, multi-lingual and very narrowly focused on local events.

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5. The PPA members fear that 'private local radio' permitted to be established in an area served by that newspaper (newspaper associated with the licence area) will reduce advertising revenue to each of the media to below an economic level. Thus the ironic effect of a new radio venture into a small local community area, may be the closure shortly thereafter of both the newly established radio and the old established newspaper.
6. The Bill will effectively deny local newspapers access to local Radio, except in areas in which they have no interest. The PPA believes the most effective local radio service will be offered by a local newspaper.
7. The essence of this submission is that in respect of local newspapers and private broadcasting services operating a local licence for essentially the same area, there should be no limitation on cross media control as envisaged by section 47 of the Bill. The submission is further that the ownership of the local newspaper shall not make any difference to this principal, namely that media cross ownership/control should be permitted at a local level for sound broadcasting and local newspaper businesses irrespective of how it is owned or managed.
8. There are various other factors supporting the above : the cost effectiveness, utility and synergy obtained by running local radio and newspapers as one business; the fact that newspaper owners may offer to operate a local radio (to the benefit of the community as a whole) even if no outside interests express a desire to do so, as a defensive position for the newspaper; the belief that competition from national media, other media (cinema, billboards, TV etc.) and controls on re-issue of licences will always ensure an effective service to the local community.
9. The PPA urges the Committee to consider actively promoting a form of partnership between press and radio at local and regional level to ensure the survival of all media types.
10. The PPA would be grateful for the opportunity to clarify and explain these submissions by means of a small delegation if it is possible for such an arrangement.

Thank you for the opportunity to put these submissions to the Technical Committee. We wish you well with your deliberations.

Yours faithfully

PSC Poté
for: GENERAL MANAGER

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