

New ad booking system 'to curb media buyer fraud'

The proposed online booking system for community and small commercial media would ensure state advertising spending reached that sector and curb fraudulent activities by media brokers, Parliament's communications committee has been told.

The government last year committed to an increased advertising budget for community and small commercial media. Government Communication and Information System (GCIS) CE Jimmy Manyi said then that the government's R1bn advertising budget would be centralised under the GCIS.

Manyi, who is now also on the board of the Media Development and Diversity Agency, last year controversially said placement of advertising would be influenced by the extent to which the government's message was carried out by media.

Agency CE Lumko Mtimde told MPs yesterday the proposed online booking system would "professionalise" community media and limit fraud by media brokers, who held onto advertising payments from the government that were meant to trickle down to the sector.

A challenge

It is hoped the system will assist media planners to easily identify community media and improve the advertising spending that goes to them. "We want to make sure that the sector is ready to receive and account for such adspend when it is channelled to them, that is why we talk of this project (the online booking system)," Mtimde said.

"There is a challenge regarding media brokers and we are not necessarily saying they should be regulated. Perhaps some of the challenges experienced might require intervention."

He said the business case of the online system was being finalised. It is estimated the system will cost between R10m and R15m to launch and R4m a year to operate.

"We are progressing in terms of how we take the process forward, whether we issue tenders, whether we seek some additional funding from the National Treasury and so forth, those are the external factors which will inform the progress of the online booking system."

Allegations

Agency programme director Nkopane Maphiri told MPs there had been allegations from small commercial media companies that media brokers were not passing on payments meant for government advertising campaigns.

"The question of the media brokers has been raised quite sharply and it remains a particular thorn in the side of community media," Maphiri said.

"What has happened over the years is that the media broker would either not pass on that campaign to the radio station but then still generate a report that the campaign was aired," he said.

"A media planner or buyer would then, based on that report, pay for the services rendered and that money would not even make it through the station," he said. He further charged that media brokers remained largely unaccountable and there was a need to investigate the matter. "We have engaged with them and said they have to be transparent and make sure this is where revenue has gone," Maphiri said.

Congress of the People MP Julie Killian said this was fraud and the agency should "state what measures had been taken against the particular media brokers".

Democratic Alliance MP Marian Shinn said what was implied was that the media broker industry was rife with fraud.

"One wonders why (the agency) has not laid charges ... this is taxpayers' money that has gone into pockets that were not intended," she said.

Source: *Business Day* via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>