



30 June 2017

Ms Caroline Le Couteur MLA
Chair, Standing Committee on Planning and Urban Renewal
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Dear Ms Le Couteur

OMA Submission - Inquiry into Billboards

01 Introduction

Thank you for inviting the Outdoor Media Association (OMA) to make a submission to the Inquiry into billboards for outdoor advertising in the ACT. As the peak industry body representing the majority of Australia's Out of Home (OOH) media display companies and production facilities, the OMA is an important stakeholder in discussions with government regarding signage regulations. Part of the OMA's role is to foster constructive relationships with government to support the development of policies for OOH advertising that are reasonable and evidence based.

OOH plays a role in the urban profile of a city. The infrastructure on which it is placed and the messages it displays reflect society, promoting local business and economic activity, local events, social causes or charities. Historically, OOH has played a role in the social fabric of Australian cities, directly and indirectly contributing to their cultural and economic development. As technology advances, OOH's role will increase to include the delivery of digital utility and infrastructure to the community.

The OMA has engaged with the ACT Government over the past 18 months to query its stance on third-party advertising. Throughout 2016, OMA CEO, Charmaine Moldrich, and General Manager, Tess Phillips, met with Chief Minister Barr's Office, the Planning Minister's Office and the Deputy Director-General, Environment and Planning. The OMA also met with the Environment & Planning Directorate.

The feedback below reflects the OMA's intention of working closely with the ACT government to ensure that OOH can play the role, as it does in other progressive cities across the world, that benefits government, the community and business.

02 Terms of Reference

As recommended in the Submission Guidelines, this letter addresses the Terms of Reference for the Inquiry.

2.1 Current rules and practices concerning billboard advertising:

a. the rationale for existing regulations in the ACT

The ACT Signs Code effectively prohibits the display of third-party¹ advertising which is of particular concern to the OMA. No rationale is articulated for this prohibition, but it likely reflects a moment in time where a view was taken that OOH was 'visual pollution'. This view is a legacy of outdated planning systems. As planning systems are modernised, they generally recognise that there are benefits to allowing for signage.

As our populations grow and become more urbanised, OOH is becoming more established in the city landscape. The industry is investing in innovation and can play an important role in activating urban spaces through smart city technology. Increasingly, OOH structures provide digital utility to cities such as wayfinding, Wi-Fi hubs and targeted emergency messaging services. Careful planning and placement of OOH signs can contribute to connectivity, create vibrancy and enhance the sense of place.

Given the changes afoot to modernise and globalise the Capital, as evidenced by the new international service from Canberra Airport and the light-rail development, the OMA recommends that the Code be amended to become more future-focused, allow for the consideration of signage proposals and encourage innovative signage.

Government and the community already benefit from OOH. In 2016, Deloitte Access Economics published economic modelling on the OOH industry, it found that:

- The OOH industry provides a revenue stream to government, returning \$1 in every \$2 of revenue in rent and taxes to governments and other landlords.²
- OOH delivers essential services and savings; OMA members have built and continue to maintain 17,664 items of public infrastructure including bicycles, bins, bus shelters, kiosks, park benches, pedestrian bridges, public toilets and telephone booths. With a replacement value of \$352 million, the items are provided at no cost to governments, paid for by the advertising concessions.³
- Governments use OOH to broadcast messages to the community and raise awareness. In 2016 the Commonwealth Government and the NSW Government were within the top 5 highest spenders for OOH advertising.⁴
- OOH contributed \$647 million to Australia's Gross Domestic Product (GDP).
- OOH businesses are significant employers, directly employing 903 full-time equivalent workers and an estimated 2,200 additional workers through the supply chain.⁵

A summary of the economic modelling findings is provided at **Attachment 1**.

The ACT already benefits from an OOH partnership – bus shelters in the ACT are constructed, installed and maintained by an OMA member, Adshel. This advertiser-funded infrastructure model has provided the ACT with 265 bus shelters, a large percentage of which do not display any advertising. This model has also generated local

¹ A sign advertising goods and/or services not associated with the site/premises on which the sign is displayed.

² Deloitte Access Economics 2016, Out of Home Adds Value: Out of Home Advertising in the Australian Economy. Figures are calculated for 2014 calendar year and expressed in 2016 dollars

³ Deloitte Access Economics 2016, Out of Home Adds Value

⁴ Nielsen AIS (excludes Digital and Direct Mail)

⁵ Deloitte Access Economics 2016, Out of Home Adds Value.

employment in building and serving the bus shelter infrastructure.

Given the benefits of OOH, any rationale for the existing regulations that prohibit third-party advertising in the ACT, are no longer logical or necessary.

b. the terms of the existing regulations in the ACT

The OMA has engaged with the ACT Government on its existing regulations for OOH and made a submission to the Environment & Planning Directorate on the ACT Signs General Code in November 2016 (provided as **Attachment 2**).

In its submission, the OMA found that the Signs General Code in its current form does not to meet industry requirements. By prohibiting third-party advertising, the Code discourages any innovative thinking about signage in the ACT, and could impact commercial development. The specific provisions of concern are as follows:

- Clause 1.1 – Permissible Signs, together with Table 1 makes some provision for Roof Signs and Wall Signs in all zones, but no provision for Freestanding Billboard Signs or Bus Shelter/Street Furniture Signs. However, it is understood that bus shelter advertising is approved through contractual arrangements with Transport Canberra.
- Clause 1.2 – Content of Sign, together with Table 2, prohibits third-party signage in all planning zones, with one exception. The one exception is for limited third-party signage at ground floor level in Commercial and Industrial Zones. The sign size can be no greater than 2 square metres.
- Clause 2.27 – Wall Signs has restrictions about both the position and size of the sign. The maximum size is restricted to 20% of wall space or 6 square metres, whichever is the lesser, in addition to the third-party content restriction.

The industry does not support this effective prohibition of third-party advertising signs. The OMA recommends that the ACT Government adopt more reasonable regulations, and has produced a Model Code for regulating advertising devices in the ACT. Further detail on the Model Code is provided at Section 2.4 of this submission. It was provided to the Environment & Planning Directorate in 2017 and is enclosed (**Attachment 3**).

c. the effectiveness of the existing regulations and enforcement measures in ACT

The existing regulations seek to enforce a blanket prohibition for third-party advertising signage in the ACT. While a blanket ban of third-party advertising may appear to be easier to enforce, this is because business is discouraged from proposing innovative signage. Furthermore, they do not apply the same rigor to on-premise⁶ advertising. The OMA recommends a fair system that offers guidelines for appropriate advertising signs and encourages industry to propose signs that can be assessed against these guidelines.

The OMA advocates for the ACT Signs Code to be updated by adopting measures outlined in its Model Code. This will establish a fairer system in the ACT, while still allowing for effective and enforceable advertising signage controls.

⁶ A sign advertising good and/or services sold, stored or manufactured on the site/premises on which the advertising sign is located.

d. a comparative analysis of billboard regulation in other jurisdictions

Billboards are not prohibited in other jurisdictions in Australia, but their use is controlled through regulations on location, size, luminance and dwell time (for digital signs). Roadside advertising guidelines for NSW, QLD and WA are as follows:

- NSW Draft Transport Corridor Advertising and Signage Guidelines
- QLD Roadside Advertising Guide
- WA Roadside Advertising Guideline.

Most jurisdictions have a combination of legislation and regulation to guide the development and display of appropriate third-party advertising signs, rather than prohibiting them. It would appear these jurisdictions have determined that the benefits of allowing signage outweighs the cost or impact. For example, in NSW last year, Roads and Maritime Services (RMS) recorded \$22 million in advertising revenue and Sydney Trains \$25 million. Both organisations reinvest all advertising proceeds into improving transport networks and user experience.

For further information on regulations across the States, the OMA has developed a Digital Guideline (**Attachment 4**).

e. the definition of 'billboard' when compared with definitions for other signage

A billboard is a large format OOH display board for advertisements and comes in a range of sizes and formats. A billboard can be a freestanding device, or attached to a wall of a building or the roof of a building. It can vary in size depending upon its location and purpose. A billboard can be a device displaying 'traditional' poster-type advertising or digital displays.

Billboards displaying traditional advertising media are typically a standard size so that the vinyl advertisement can rotate between signs in different locations.

It is important to note that in addition to billboards, there are other types of third-party signs, including smaller portrait signs in pedestrianised areas, signs on street furniture (including bus shelters) and signs on buses, trains, light rail and telephones.

2.2 Community views on placement and construction of billboards

OOH advertising provides improved utility to cities through the provision and maintenance of infrastructure. The OMA has found that community views on OOH change, and become more positive about signage in public spaces, when they understand this. In a 2014 OMA survey, 77% of respondents said that knowing OOH helps pay for infrastructure changes how they think about it.

The community is often more positive about signs than is recognised by government. In 2015, the City of Sydney commissioned public attitude testing about signage to inform its advertising guidelines, and found that:

- 67% of people 'expect any large city to promote the use of new technology in advertising'
- advertising can play a major role in the look and feel of cities

- modern signage, art-based, digital signs and advertisements are in line with community expectations.⁷

Copies of the OMA and City of Sydney public attitude research are in **Attachment 5**.

2.3 Merits and challenges of establishing designated areas for billboard advertising, including:

Merits for communities of creating designated areas:

Community engagement on designated areas for advertising signage could be a useful tool for the ACT Government. However, there is a risk that the positive contributions of signage in terms of infrastructure development, community engagement, economic support for government and potential to deliver digital utility to cities may be ignored.

Looking ahead, the ACT Light Rail project will be costly. This is a positive opportunity for OMA members to work with the ACT Government to explore the provision of advertising revenue through signage in stations, on light rail infrastructure itself, or the development of appropriately positioned large format advertising signs on the light rail route. In addition to displaying advertising, the OOH could be used to promote Canberra and National Capital Authority events and tourism.

Into the future, digital signage could help shape and activate urban spaces by providing innovative and smart city technology and creating vibrancy. While there is merit in engaging the community in the development of these spaces, there is also merit in allowing business to innovate and propose new or upgraded public spaces.

Challenges for industry of creating designated areas:

The OMA supports reasonable evidence-based regulation. The industry would not generally support 'designated areas' for signage, although most planning systems do determine appropriate land-use zones for different signage types.

If the designated areas are inflexible, they could quickly become outdated as Canberra continues to grow. However, if designated areas are determined with input from industry, and allow for flexibility where an innovative proposal is put forth that may sit outside those areas, or where new areas are developed, the use of designated areas may be appropriate.

It is important to note that the industry does not support a proliferation of signs in any one location as this weakens the commercial impact and viability of the signage. When signs are well spaced, the audience has the ability to absorb each message, which increases its effectiveness.

2.4 Ways in which elements of billboard advertising could be regulated in the ACT to limit environmental or aesthetic impact, including number, size, location, advertising periods and content

The OMA's Model Advertising Devices Code ACT is a best practice guideline for the regulation of OOH advertising devices. The OMA recommends this guideline is used by the ACT Government to model its advertising signage policy. The Model Code relates

⁷ Sweeney Research, July 2014 Signage and Outdoor Advertising in Sydney - Qualitative and Quantitative Research Report.

primarily to third-party advertising signage, but its provisions can also be applied to on-premise advertising signage. It was provided to the Environment & Planning Directorate in early 2017 and has been endorsed by the OOH industry.

The Model Code provides a set of practical and effective planning controls for advertising devices. Overall, it aims to balance placement, design and business outcomes for government, the community and the OOH advertising industry. It includes the following controls:

- Number – advertising signs are separated by distance in all zones so that the character and amenity of the locality and existing view and vista corridors are not adversely affected.
- Location - advertising devices to be located in appropriately zoned areas and are of a scale and nature that is compatible with both existing and/or proposed development in the zone.
- Size – the size and scale is considered appropriate for both the natural and built environment and does not create a physical hazard or obstruction to motorists, pedestrians, cyclists or residents.
- Content – advertising devices should only display content that is compliant with the Australian Association of National Advertisers (AANA) Code of Ethics and must comply with any decisions by the Advertising Standards Board (Ad Board).
- Duration - there should be some certainty in regulations for the term of the approval, ideally a minimum of ten (10) years. The cost of designing, constructing and gaining approvals for an advertising signs is considerable for the industry and there should be certainty within regulations about timeframes.

In Australia, advertising content is self-regulated by the industry and is not a matter regulated by Governments. The OMA works closely with the Advertising Standards Bureau, the AANA, the Communications Council and the Alcohol Beverages Advertising Code (ABAC) Scheme to ensure that members only display advertising that meets acceptable community standards.

2.5 Any other relevant matters

The OMA appreciates the time taken to review this submission and would be pleased to meet to provide further background. Further, the OMA and the OOH industry and would be pleased to be called as a witness at any public hearing for the inquiry into billboards.

If you have any further questions regarding this matter, please contact me on 02 9357 9922 or at tess.phillips@oma.org.au.

Yours sincerely



Tess Phillips
General Manager

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