



Submission to

**FreeTV Australia:
Review of the Commercial Television Industry
Code of Practice**

on behalf of

Australian Association of National Advertisers

2 April 2015

Executive summary

- The AANA represents Australia's national advertisers and established the current self-regulatory system for advertising and marketing communications in 1997. Since that time, new codes have been introduced and the existing over-arching codes have been amended to keep pace with the ever evolving advertising, marketing and media industry. The Code of Ethics is the cornerstone of the advertising self-regulatory system and is supplemented by the AANA Code of Advertising and Marketing to Children, Food & Beverages Code and Environmental Claims Code.
- The self-regulatory system is underpinned by an independent, transparent and robust complaints handling system which was established by the AANA over a decade ago. The complaints handling system is administered by the Advertising Standards Bureau and complaints are adjudicated by the Advertising Standards Board, made up of individuals who are representative of the community and not connected to the advertising industry.
- In evolving and developing the AANA self-regulatory system, the AANA is the respected voice for brands, and reflects brand owners' intent to meet the community's expectation for standards in advertising and marketing communications. As such, the AANA is the custodian and champion of the over-arching system of self-regulation. The system is recognized and endorsed through inclusion in other self and co-regulatory systems, whose members support the decisions of the ASB.
- The AANA acknowledges the simplification of the proposed FreeTV Australia Code of Practice and welcomes the removal of dual or overlapping obligations for advertisers and marketers. Given the AANA Codes already provide strong community safeguards, it is appropriate for the FreeTV Australia Code of Practice to refer directly to those obligations to ensure that the concepts of being ethical, transparent and upholding community standards remains central to all aspects of advertisers' interaction with consumers, irrespective of the medium of communication.

AANA self-regulatory system

Australian Association of National Advertisers (AANA) welcomes the review and appreciates the opportunity to provide this submission to the FreeTV Australia Code Review. The AANA is the peak industry body for brand owners and has represented national advertisers for over 85 years. It also represents the common interests and obligations of companies across all business sectors involved in the advertising, marketing and media industries.

AANA serves to protect the rights of consumers in ensuring advertising and marketing communications is conducted responsibly, including through its development and administration of industry codes and the self-regulatory system. AANA's self-regulatory system applies to all media and virtually all forms of advertising and marketing communications.

AANA has a strong ongoing commitment to self-regulation. AANA designed and delivered the self-regulatory component of regulation controlling advertising and marketing communications in Australia. Self-regulation is an essential part of the Australian business landscape and contemporary society. It flourishes through strong leadership, commitment and cooperation across business, government and the community at large. Self-regulation is not the exclusive domain of any one particular body but the collective concern of many players, large and small.

The current self-regulatory system for advertising and marketing communications in Australia was established by the AANA in 1997. The establishment of the self-regulatory system was in response to advertisers' recognition that they have a responsibility to deliver agreed and trusted standards. In evolving and developing the AANA self-regulatory system, the AANA is the respected voice for brands, and reflects brand owners' intent around community standards in advertising and marketing communications. As such, the AANA is the custodian and champion of the over-arching system of self-regulation.

The AANA welcomes FreeTV Australia's recognition of the role of the AANA Codes and role of self-regulation of marketing communications as the preferred model for managing marketing communications in Australia. This endorsement of the AANA Codes acknowledges that brand owners accept responsibility for reflecting community standards in all their advertising and marketing communications across all media and activities.

With advertisers, marketers and media sharing a common interest in promoting consumer confidence in and respect for advertising and marketing communications, the self-regulatory system has industry-wide backing. Complaints about advertising are determined by the Advertising Standards Board (ASB), while competitive complaints are referred to the Advertising Claims Board. The complaints handling system is transparent and robust. It is well recognised in Australia by consumers and advocates alike. The ASB reports a high level of consumer awareness of the advertising complaints system.

Many advertising associations also refer to, or incorporate by reference, the AANA Codes including the Australian Subscription Television and Radio Association; Commercial Radio Association; Outdoor Media Association and Alcohol Beverages Advertising Code.

Advertising to children

The AANA notes that specific provisions about advertising to children in the current FreeTV Australia code of practice have been removed in the proposed new code on the basis that the Children's Television Standards and the AANA Codes (which apply to all media) already provide strong community safeguards in this area. The AANA supports this approach because it will provide the

same protection standards as previously but reduce unnecessary duplication and potential confusion.

In addition to the AANA Code of Ethics, the AANA Code for Advertising & Marketing Communications to Children and the AANA Food and Beverages: Advertising and Marketing Communication Code contain detailed requirements for advertising to children and already provide protection for children across a wider range of issues than referred to in the current FreeTV Australia code of practice. In this respect the AANA Codes provide safeguards, and the ability for consumer complaint if necessary, in relation to:

- Prevailing community standards
- Factual presentation
- Placement
- Sexualisation
- Safety
- Social values
- Parental authority
- Qualifying statements
- Competitions
- Popular personalities
- Premiums
- Alcohol
- Privacy
- Food and Beverages

The Children's Television Standards also contain complementary safeguards in a range of these areas. Together, the AANA Codes and the Children's Television Standards place clear and strong obligations on advertisers and marketers to ensure sufficient protections for advertising to children.

Advertising timeframes

The changes proposed by FreeTV Australia allow for an incremental change in the ability to place certain advertisements on commercial television. The changes proposed by FreeTV Australia do not in any way undermine the principles underlying the restrictions on the content of advertising, nor remove any ability for complaints to be made.

Advertisers, marketers and media share a common interest in promoting consumer confidence in and respect for, advertising and marketing communications and one of the central tenants of a self-regulatory or co-regulatory system is for industry to consult with the community and other stakeholders to help ensure that advertising content and placement standards are aligned to community expectations across all media and platforms. This may differ from industry to industry given prevailing community standards.

Betting and gambling advertising

In relation to the proposed changes to the betting and gambling advertising requirements, AANA supports the submission made by its member Sportsbet.

Alcohol advertising

In relation to the proposed changes to alcohol advertising, the AANA supports these provisions as an effective means of managing the placement for alcohol advertising on commercial television, in the context of the heavy restrictions regarding the content of alcohol advertising. The quasi-regulatory system of the Alcohol Beverages Advertising Code (ABAC) complements the AANA system and codes by providing specific and significant restrictions on the content of alcohol advertising, in addition to the AANA Code of Ethics. ABAC addresses:

- responsible and moderate portrayal of alcohol beverages;
- responsibility towards minors (under the age of 18) including that advertisements must not have strong or evident appeal to minors or feature talent that may appear to be underage (hence the requirement that actors must be 25 year or older)
- responsible depiction of the effects of alcohol
- alcohol and safety

Alcohol advertisers must also gain approval from an independent reviewer, through the Alcohol Advertising Pre-vetting Service (AAPS), prior to advertising entering the market. If this independent reviewer determines the content does not meet the Code, the advertisement cannot proceed.

ABAC and the AANA Codes provide a robust system to ensure the responsible marketing of alcohol beverages by limiting the permitted content in alcohol advertising, with responsibility towards children being paramount.

In relation to the changes that affect the placement of alcohol advertising, the AANA supports the submission made by the Brewers Association of Australia and New Zealand, in particular that:

- There is no reliable evidence to suggest the conjecture that exposure to alcohol marketing leads to misuse or underage consumption.
- Statistics suggest alcohol misuse and underage consumption are trending down without any need for additional restrictions.¹
- TV audiences are ageing. The proportion of the audience aged 0-17 between 7.30pm and 8.30pm in 2015 is 5% less than it was in 2004.²
- A move from an 8.30pm watershed to a 7.30pm watershed would have no material impact on the proportion of 0-17 year olds watching TV, with a difference of 3%.³

When the industry's placement restrictions are combined with additional content restrictions from ABAC, it is clear that alcohol advertising will continue to be managed responsibly under the revised Commercial TV Code. Consequently, the AANA supports the proposed changes to the Code in respect of the M classification beginning at 7.30pm and the maintenance of the current arrangements in respect of advertising in daytime sport on weekends and public holidays.

¹ Source: ABS (2014) Apparent Consumption of Alcohol, Australia, 2012-13; AIHW NDSHS *Lifetime and Single-Occasion Risk, People aged 14 years or older, 2001-13 (%)*, *12-17 year-olds abstaining, % of those aged 12-17 drinking at lifetime risky drinking patterns, % of those aged 12-17 drinking risk of harm on that occasion, Average age of first drink*

² Oztam

³ *ibid*