



Ms Joan Warner  
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25 May 2016

Dear Joan,

**Australian Association of National Advertisers submission:  
Review of the Commercial Radio Code of Practice – Public Consultation**

The Australian Association of National Advertisers (AANA) appreciates the opportunity to provide a submission in relation to Commercial Radio Australia's review of the Commercial Radio Code of Practice.

As you are aware, 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. Australia's system of advertising self-regulation under the AANA Codes is recognised internationally and provides a robust and independent complaints handling system through the Advertising Standards Bureau.

Application of AANA Codes

The AANA welcomes Commercial Radio Australia's move to avoid duplication in the obligations placed on advertisers and the implicit recognition in the proposed Code of the role of self-regulation as the appropriate model for ensuring the content of marketing communication in Australia aligns with community standards and expectations. As discussed with Sarah Kruger, we recommend a specific reference to the AANA Codes is included so it clear that these Codes apply to the content of advertising or marketing communication broadcast on radio. We suggest a slight amendment to clause 5.11, to read:

*The Australian Association of National Advertisers (AANA) administers a national system of advertising self-regulation where complaints may be made to the Advertising Standards Bureau (ASB) in the event a listener believes there has been a breach of the AANA Codes. Licensees will refer complaints to the ASB where the complaint relates to advertising or marketing communication broadcast by the Licensee. A complaint referred to the ASB shall not be treated as a Code Complaint.*

Given the AANA Codes already provide strong community safeguards, it is appropriate for the Commercial Radio 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. Many other associations refer to, or incorporate by reference, the AANA Codes including the Australian Subscription Television and Radio Association; FreeTV Australia; Outdoor Media Association and Alcohol Beverages Advertising Code.

## Transparency in advertising

Increasingly marketing is taking different forms, particularly in the digital environment, including product integration. As technology advances and advertising extends across the full spectrum of paid, owned and earned, the approach of the AANA Codes is to assess potential marketing material against two key criteria: does the marketer have a reasonable degree of control over the material and does the material draw the attention of the public in a manner calculated to promote a product or service? If these two criteria are met the material is a marketing communication and the Codes apply.

Generally consumers know when they are interacting with an advertisement that the brand is trying to sell them a product or service. Consumers may treat advertisements with caution or scepticism. However when material presented by a third party is communicated to a consumer, they may respond to it differently than they do paid advertising. Perceived third party endorsement by independent media can create greater credibility for a brand.

For this reason the AANA Codes and supporting material contain a range requirements to support transparency in advertising. For example, the definition of advertising and marketing communication was updated in January 2016 to provide greater clarity and make it explicit that consumer facing public relations material falls under the Codes.

Further, the AANA, together with IAB Australia, launched the Native Advertising Principles in November 2015. The principles are a consumer protection tool for advertisers to reference, aimed at ensuring readers can readily distinguish between what is paid-for advertising versus editorial content in the online environment.

Similarly, the AANA Best Practice Guideline: Responsible Marketing Communications in the Digital Space is a best practice guide for marketers, their agencies and the community to help them to understand the application of the AANA self-regulatory codes in the digital space, and aims to ensure best practice in relation to transparency in the online environment.

With the increase in innovative means of advertising, brand owners recognise that there is a commensurate onus to make it clear when content is a commercial placement. It is in all stakeholders' interests that there is transparency and that the nature of the relationship between the brand owner and the media outlet is adequately disclosed. The AANA recognises its responsibility to proactively evolve its Codes to align with developments in marketing communication techniques to meet with community expectations and will continue to do with transparency in advertising as a key concern.

Please contact me if you would like to discuss this submission further.

Yours sincerely,



Simone Brandon

**Director of Policy & Regulatory Affairs**