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18 February 2010

Dr Anna Dacre
Committee Secretary
House of Representatives Standing Committee on Social Policy and Legal Affairs
House of Representatives
Parliament House
CANBERRA ACT 2600

By email: spla.reps@aph.gov.au

Dear Dr Dacre

Re: Inquiry into the regulation of billboard and outdoor advertising

Thank you for your letter of 14 January 2011 and the opportunity to make a submission to the Committee in relation to the above inquiry. In particular, we welcome the opportunity to outline the high standards of practice that are maintained in the outdoor advertising industry.

The OMA's submission comprises:

1. an overview of the outdoor advertising industry and the various regulatory frameworks that apply to it;
2. a description of the industry's compliance with the various regulatory frameworks;
3. discussion about whether self-regulation of outdoor advertisements is effective; and
4. a description of the potential impacts of Government regulation of outdoor advertising.

We look forward to an opportunity to appear before the Committee at a public hearing in due course. Please note that while we are based in Sydney, we are available to attend in any city.

If you would like any further information please don't hesitate to contact me.

Yours sincerely

Charmaine Moldrich
Chief Executive Officer
enc.



**SUBMISSION TO THE
HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
SOCIAL POLICY AND LEGAL AFFAIRS**

**Inquiry into the regulation of billboard and outdoor
advertising**

18 February 2011

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1. GLOSSARY

AANA

Australian Association of National Advertisers – the peak body representing the common interests and obligations of companies across all business sectors involved in the advertising, marketing and media industry.

ASB

Advertising Standards Bureau – the self-regulatory body that considers advertising complaints across all media.

OMA

Outdoor Media Association – the peak industry body representing 97% of Australia’s outdoor media display companies and production facilities, and some media display asset owners. A full list of the OMA’s members is attached at Appendix 1.

On-premise advertising

Vehicles, billboards and other structures that advertise the business, services and products on the advertiser’s property.

Outdoor media display companies

Companies that provide space for third-party advertisements in public areas such as along roadways, in shopping centres, on public transport and at airports.

Street furniture

This includes bus/tram shelters, public toilets, bicycle stations, phone booths and kiosks that are provided and maintained by outdoor media display companies.

Third-party advertising

Advertising in which the advertisement is not associated with the premises on which it is displayed. That is, a land owner allows an outdoor media display company to display an advertisement for a third-party product.

2. EXECUTIVE SUMMARY AND RECOMMENDATIONS

The Outdoor Media Association (OMA) is the peak industry body representing 97% of Australia's outdoor media display companies and production facilities, and some media display asset owners.

Outdoor media display companies advertise third-party products¹ including:

- on buses, trams, taxis, pedestrian bridges, billboards² and free-standing advertisement panels;
- on street furniture (e.g. bus/tram shelters, public toilets, bicycle stations, phone booths, kiosks); and
- in bus stations, railway stations, shopping centres, universities and airport precincts.

The industry members build, clean³ and maintain the pedestrian bridges and street furniture, and provide other community infrastructure such as park benches, bins and bicycles.⁴

The OMA does not represent businesses that install 'on-premise' advertisements (vehicles, billboards and other structures that advertise the business, services and products on the advertiser's property). On-premise advertising is more prolific than third-party advertising. For example, along Parramatta Road between Broadway and Leichhardt, NSW, there are about 2140 on-premise signs compared to 14 third-party advertisements.

Advertising and marketing plays a fundamental economic role in society and contributes in excess of \$31.1 billion to the Australian economy annually. The Australian advertising industry alone raises annual revenue of about \$12.58 billion.⁵ In 2010 the outdoor advertising industry raised revenue of \$477 million, making up 5% of advertising spend in Australia.⁶

In 2007, Access Economics conducted a study of the outdoor media industry in Australia⁷ and found that for the 2006–2007 financial year, the industry:

- directly employed 886 people (which translated to a direct and indirect employment of 1,473 full time equivalents);
- made a direct contribution to the national GDP of \$1 billion;

¹ Advertising in which the advertisement is not associated with the premises on which it is displayed. That is, a land owner allows an outdoor media display company to display an advertisement for a third-party product.

² Standard billboard sizes range from about 13 to 84 square metres, though they can be as big as 1000 square metres. Billboard sizes are set or approved by State Governments or Local Councils.

³ Cleaning includes the removal of graffiti.

⁴ For example, 2000 public bicycles have been provided for the Brisbane CityCycle scheme.

⁵ Commercial Economic Advisory Service of Australia (CEASA), for the year ending 31 December 2009.

⁶ Nielsen Adex reporting for 2010.

⁷ National Economic Study of the Outdoor Media Industry, Access Economics, 2007 – attached at Appendix 2.

- contributed an additional \$90 million in funds to build and maintain public infrastructure such as bus/tram shelters, pedestrian bridges, public toilets, kiosks, bins and park benches;⁸ and
- donated an additional \$4.5 million in funds and free advertising space to Australian charities and not-for-profit organisations.

The OMA has commissioned Access Economics to update these findings in a 2011 study, and it is reasonable to assume that the figures across all areas have grown. For example, we are aware that in 2010 the industry donated free advertising space to the community valued at over \$12.38 million.⁹

The social responsibility of the industry is further demonstrated by its complete compliance with all findings of the Advertising Standards Board as well as all State and Local Government controls relating to outdoor advertising. In contrast, companies that display on-premise advertising are often not aware of these various controls and regulations.

The socially responsible approach of the industry, as outlined above, demonstrates that the industry can be relied upon to comply with appropriate self-regulatory systems. The OMA submits that the current self-regulatory scheme is effective, as demonstrated by the small number of complaints about outdoor advertisements, and the even smaller number of adverse findings:

- The industry ran more than 14,500 campaigns in 2010, comprising more than 30,000 different advertisements.
- These advertisements were displayed across more than 73,000 different advertising display panels.
- MOVE,¹⁰ the outdoor advertising industry's audience-measurement system, predicts that almost every person over the age of 14 in Sydney, Melbourne, Brisbane, Adelaide and Perth will see at least one advertising campaign each week.¹¹
- Even with these vast numbers, the ASB only considered 90 cases about outdoor advertisements in 2010, at least 23 of which were not third-party advertisements (for example, they were advertisements on the side of vehicles owned by the advertiser, other on-premise signs, or mobile telephone advertisements).
- 15 of these were found to be in breach of the Australian Association of National Advertisers (AANA) Code of Ethics, of which 7 were not third-party advertisements. That is, 46.6% of upheld cases were not about third-party advertisements.
- The 8 third-party advertisements that were the subject of an adverse finding by the ASB represent 0.026% of the 30,000 outdoor industry advertisements in 2010.

⁸ The replacement value of public facilities provided by the outdoor media industry was \$205 million in 2007.

⁹ A list of the 128 beneficiaries is attached at Appendix 3, and testimonials are attached at Appendix 4.

¹⁰ In 2010 the OMA launched Measurement of Outdoor Visibility and Exposure (MOVE). MOVE is a national audience measurement system for outdoor advertising.

¹¹ Sydney – 99.6%; Melbourne – 98.9%; Brisbane – 95.8%; Adelaide 98.6%; Perth – 98.2%.

The OMA submits that it would be unnecessarily cumbersome to subject some 30,000 third-party advertisements annually to government regulation where 99.97% of them are innocuous.

Government regulation of outdoor advertising would cause delays and may lead to the homogenisation of outdoor advertisements. These outcomes would enable other media to gain an advantage in an industry that is deadline-driven and communicates differently to different markets. The OMA submits that the small number of complaints that have been upheld by the Advertising Standards Board do not justify this loss of advantage. Further, the invariable loss of industry revenue would affect:

- employment in the industry;
- the contribution of the industry to the national economy; and
- the industry's ability to continue making significant contributions to the community.

Again, such consequences do not appear reasonably justified by the small number of complaints that are upheld by the Advertising Standards Board.

Internationally, the preferred method of managing advertising is through self-regulatory bodies.¹² The benefits of self-regulation include the following:

1. Complaint resolution times are generally quicker than in regulatory and co-regulatory schemes.¹³ Any delays in complaint handling timeframes impact upon both the complainant and the respondent.
2. Self-regulatory schemes are adaptable and able to respond quickly to changes in circumstance or community attitudes. In contrast, legislative frameworks take more time and effort to amend.
3. Both the spirit and the letter of self-regulatory codes should be complied with, as opposed to legislation which generally demands compliance with the strict letter of the law.
4. Self-regulation is funded by industry. Government regulation would require public funds to establish, apply and enforce the scheme.
5. Self-regulation has the support of industry. A system enforced by Government can undermine the goodwill of the industry that is committed to the success of the self-regulatory scheme.

The OMA submits that the benefits of the current self-regulatory system by far outweigh the small number of occasions on which a complaint about outdoor advertising has been upheld.

¹² One exception is Saudi Arabia, where advertising must be compatible with the Islamic religion and its laws, and complaints are managed by government authorities.

¹³ Please refer to the statistics provided in the Advertising Standards Bureau's submission.

In view of the above, the OMA makes the following **recommendations**:

1. The current system of self-regulation should be maintained.
2. If a stricter regulatory framework is imposed on outdoor advertising, it should be applied consistently across all outdoor advertising, including on-premise advertising.

3. ABOUT THE OMA AND THE OUTDOOR ADVERTISING INDUSTRY

3.1. General

The Outdoor Media Association (OMA) is the peak industry body representing 97% of Australia's outdoor media display companies and production facilities, and some media display asset owners. A full list of the OMA's members is attached at Appendix 1.

Outdoor media display companies advertise third-party products¹⁴ including:

- on buses, trams, taxis, pedestrian bridges, billboards¹⁵ and free-standing advertisement panels;
- on street furniture (e.g. bus/tram shelters, public toilets, bicycle stations, phone booths, kiosks); and
- in bus stations, railway stations, shopping centres, universities and airport precincts.

Large format advertisements (e.g. billboards) remain on display for 4 weeks, whereas smaller displays run for 1 or 2 week periods.

The industry members build, clean¹⁶ and maintain the pedestrian bridges and street furniture, and provide other community infrastructure such as park benches, bins and bicycles.¹⁷

3.2. On-premise advertising

The OMA does not represent businesses that install 'on-premise' advertisements (vehicles, billboards and other structures that advertise the business, services and products on the advertiser's property). On-premise advertising is more prolific than third-party advertising. For example, along Parramatta Road between Broadway and Leichhardt, NSW, there are about 2140 on-premise signs compared to 14 third-party advertisements.

References to 'the industry' in this submission do not include on-premise advertisers.

Some examples of on-premise and third-party advertising are pictured over.

¹⁴ Advertising in which the advertisement is not associated with the premises on which it is displayed. That is, a land owner allows an outdoor media display company to display an advertisement for a third-party product.

¹⁵ Standard billboard sizes range from about 13 to 84 square metres, though they can be as big as 1000 square metres. Billboard sizes are set or approved by State Governments or Local Councils.

¹⁶ Cleaning includes the removal of graffiti.

¹⁷ For example, 2000 public bicycles have been provided for the Brisbane CityCycle scheme.

Pictures 1 and 2 – On premise signs



Pictures 3 and 4 – Third party signs



3.3. Value of the industry to the Australian economy

Advertising and marketing plays a fundamental economic role in society and contributes in excess of \$31.1 billion to the Australian economy annually. The advertising industry alone raises annual revenue of about \$12.58 billion.¹⁸ In 2010 the outdoor advertising industry raised revenue of \$477 million, making up approximately 5% of advertising spend in Australia.¹⁹

In 2007, Access Economics conducted a study of the outdoor media industry in Australia²⁰ and found that for the 2006-2007 financial year, the industry:

- raised revenue of \$460.3 million;
- directly employed 886 people (which translated to a direct and indirect employment of 1,473 full time equivalents);
- made a direct contribution to the national GDP of \$1 billion;

¹⁸ Commercial Economic Advisory Service of Australia, for the year ending 31 December 2009.

¹⁹ Nielsen Adex reporting for 2010.

²⁰ National Economic Study of the Outdoor Media Industry, Access Economics, 2007 – attached at Appendix 2.

- contributed an additional \$90 million in funds to build and maintain public infrastructure such as bus/tram shelters, pedestrian bridges, public toilets, kiosks, bins and park benches;²¹ and
- donated an additional \$4.5 million in funds and free advertising space to Australian charities and not-for-profit organisations.

The OMA has commissioned Access Economics to update these findings in a 2011 study, and it is reasonable to assume that the figures across all areas have grown. For example, we are aware that in 2010 the industry donated free advertising space to the community valued at over \$12.38 million.

The 128 beneficiaries of the \$12.38 million worth of free advertising space in 2010 included:

- *General service charities*
E.g. Mission Australia, Salvation Army, St Vincent de Paul, Catholic Mission, Sisters of Charity.
- *Healthcare organisations*
E.g. Fred Hollows Foundation, Hospitals, Beyond Blue, Ovarian Cancer Research Foundation, Leukaemia Foundation, Guide Dogs Australia.
- *Nature and environment organisations*
E.g. Australian Conservation Foundation, Landcare Australia, Moorook Animal Shelter, RSPCA Qld, Clean Up Australia, Project Kaisei, WWF.
- *Public bodies*
E.g. NSW Police, QLD Rail, NSW State Emergency Services and various Local Councils in QLD, NSW and VIC.
- *Organisations for culture and the arts*
E.g. National Gallery of Australia, Brisbane Festival, Bangarra Dance Theatre, Fresh Water Music Festival, Australian String Quartet.

For example, since 2008, the OMA and its members have provided \$3.5 million in media, printing and installation to The Big Issue magazine for homeless, marginalised and disadvantaged people. Due to the success of these campaigns, sales of The Big Issue have increased, with some print-runs selling out. An example of the advertising donated to The Big Issue magazine appears over.

²¹ The replacement value of public facilities provided by the outdoor media industry was \$205 million in 2007.

Picture 5 – The Big Issue advertising – “Smart. Savvy. Successful. Just like the magazine”



A full list of the 128 beneficiaries of free outdoor advertising space in 2010 is attached at Appendix 3. Nineteen testimonials provided by some of the beneficiaries are attached at Appendix 4. Invariably, these testimonials make the following types of comments:

- “The high profile sites sourced... ensured that a wide target audience was reached to assist in driving on-line donations... It assisted to support community volunteering and fundraising initiatives...”²²
- “As a not for profit organization this type of exposure and advertising support would simply be impossible for us to purchase.”²³
- “We see an immediate response in sales as soon as our campaigns are on field and it is because of these campaigns that many of our shows sell.”²⁴
- “Without this growth, we would not have been able to continue to fund our priority research into conditions such as diabetes, allergies, asthma, premature birth, mental health problems, cancer and genetic disorders.”²⁵

²² Starlight Children’s Foundation Australia

²³ The Fred Hollows Foundation

²⁴ Sydney Opera House

²⁵ Murdoch Childrens Research Institute

Appendix 5 provides more information about a beneficiary whose sales have increased as a result of these donations of outdoor advertising space.

Similarly, the significant industry contributions to the building, cleaning and maintenance of public infrastructure²⁶ not only contribute to the vibrancy of cities, but enable Local Councils to spend their funds on other projects. Some examples of public infrastructure provided by the industry are pictured below.

Pictures 6 to 11 – examples of infrastructure provided by the outdoor industry.



3.4. Social responsibility of the industry

The significant industry contributions made to the community, discussed above, demonstrate the industry’s socially responsible stance. This stance is further demonstrated by the large number of voluntary codes that the industry subscribes to, outlined at section 5.1 below.

In addition to the obligations imposed by the various voluntary codes, the industry is entirely compliant with findings of the Advertising Standards Board as well as all State and Local Government controls relating to outdoor advertising.²⁷ In contrast, companies that display on-premise signage are often not aware of these various controls and regulations.

The OMA submits that the industry’s sense of social responsibility demonstrates that it can be relied upon to comply with appropriate self-regulatory systems.

²⁶ Including bicycle stations, bicycles, pedestrian bridges, bus/tram shelters, public toilets, park benches, kiosks and bins.

²⁷ Refer to sections 4, 5 and 6 of this submission.

4. GOVERNMENT REGULATION - GENERALLY

State and Local Governments regulate advertising devices. The result is a vast array of different frameworks across the country that relate to outdoor advertising. These regulations:

- relate to issues such as spacing, placement, size and lighting of signs; and
- are generally more prescriptive for third-party advertising than for on-premise signage, notwithstanding that the structure of the signs may be the same.

There are some guidelines at a State level that prohibit the display of advertising along a road that, for example, imitates a traffic control device.²⁸ The OMA is not aware of any procedures the State Governments have in place to monitor compliance with such guidelines, however the OMA's members are aware of the guidelines and compliant with them. Other than these types of guidelines, the content of outdoor advertising is generally not regulated by Government.²⁹

Internationally, the preferred method of managing advertising is through self-regulatory bodies.³⁰ Regulation of the content of outdoor advertisements is discussed in detail at section 5, below.

4.1. Digital signage

A digital sign works in much the same way as a television screen, except that third-party advertising on digital signs generally involves still images. The images on the sign rotate periodically (for example, every 8 seconds), and the displays can be updated remotely.

One of the benefits of digital advertising is that the display of advertisements does not involve the same occupational health and safety considerations as conventional signage. However, digital signs are very costly to install, which means that the growth of digital has been very slow internationally and this is likely to be the case in Australia also.

The States of NSW and QLD are currently making regulations for digital advertising along roadways. The regulations that are being proposed in these states are more stringent than those that operate in most jurisdictions internationally. If the proposed regulations are put in place, it is likely that the use of digital advertising along roadways in most parts of these States will not be cost-effective.³¹

²⁸ For example, the NSW Department of Planning's Transport Corridor Outdoor Advertising and Signage Guidelines; the Victorian Planning Provisions; the Queensland Department of Transport and Main Roads' Roadside Advertising Guide.

²⁹ One exception is that some Local Councils will only allow third-party advertising if it relates to businesses, services or events in the local area.

³⁰ One exception is Saudi Arabia, where advertising must be compatible with the Islamic religion and its laws, and complaints are managed by government authorities.

³¹ The State regulations do not always apply along private or Local Council roads, however Local Councils tend to mirror the State regulations in their local schemes.

In VIC, the Victorian Planning Provisions allow for outdoor digital advertisements, provided that they do not cause a hazard to motorists or pedestrians.

5. REGULATION OF THE CONTENT OF OUTDOOR ADVERTISEMENTS

The advertising content that is placed on outdoor advertising structures is not owned by the media display companies.

5.1. Voluntary codes

The OMA's members are committed to comply with the following codes that regulate the content and placement of advertisements.

OMA Code of Ethics (Appendix 6)

This code outlines voluntary principles that all OMA members must adhere to, relating to working with advertisers and regulators, and responsibilities towards the community and the environment. Under the Code of Ethics, the OMA's members are only entitled to endorse the display of advertising that adheres to, among other things, the various AANA codes.

OMA Alcohol Advertising Guidelines (Appendix 7)

Under these guidelines, the OMA's members are required to limit the advertising of alcohol products on fixed signs that are located within a 150 metre sight line of a primary or secondary school. They are also required to only accept copy for alcohol advertising that has been approved for display through the Alcohol Advertising Pre-vetting System, and to support all decisions made by the Alcohol Beverages Advertising Code (ABAC) Scheme Adjudication Panel.

OMA Environment and Sustainability Statement (Appendix 8)

Under this statement, the OMA assists members to minimise the impact of the industry's operations on the built and natural environment, and to contribute to the sustainability of the communities in which the industry operates.

AANA Code of Ethics (Appendix 9)

This is the overarching code of Australian advertising industry self-regulation, and has the objective of ensuring that all advertising is ethical, and prepared with a proper sense of obligation to consumers and fairness to competitors.

AANA Environmental Claims in Advertising and Marketing Code (Appendix 10)

The object of this code is to ensure that advertisers and marketers develop and maintain rigorous standards when making environmental claims and to increase consumer confidence to the benefit of the environment, consumers and industry.

AANA Code for Advertising and Marketing in Communications for Children
(Appendix 11)

This code is designed to ensure that advertising and marketing communications directed at Australian children conform to prevailing community standards.

AANA Food and Beverages Advertising and Marketing Communications Code
(Appendix 12)

This code is designed to ensure a high sense of social responsibility in advertising and marketing of food and beverage products and services in Australia.

Alcohol Beverages Advertising Code (Appendix 13)

This code is designed to ensure that alcohol advertising will be conducted in a manner which neither conflicts with nor detracts from the need for responsibility and moderation in liquor merchandising and consumption, and which does not encourage consumption by underage persons.

Federal Chamber of Automotive Industries' Voluntary Code of Practice for Motor Vehicle Advertising (Appendix 14)

The primary purpose of this code is to provide guidance to advertisers in relation to appropriate standards for the portrayal of images, themes and messages relating to road safety.

Therapeutic Goods Advertising Code

The object of this code is to ensure that marketing and advertising of therapeutic goods to consumers is conducted in a manner that promotes the quality use of therapeutic goods, is socially responsible and does not mislead or deceive the consumer. The code can be downloaded at

<http://www.tgacc.com.au/codeList.cfm>

Weight Management Industry Code of Practice

This code outlines regulations for responsible advertising of weight management products and services. The code can be downloaded at

<http://www.weightcouncil.org/accredited-weight-loss-and-diet-programs.asp?page=349>

Again, the industry's commitment to these codes demonstrates its commitment to socially responsible practices.

5.2. Australian Association of National Advertisers (AANA)

The AANA is the peak body representing the common interests and obligations of companies across all business sectors involved in the advertising, marketing and media industry.

Australia's system of self-regulation functions under the AANA codes, and in 2010 the AANA launched a review of the AANA Code of Ethics.

The AANA established the Advertising Standards Bureau (ASB) to administer the complaints resolution component of the advertising self-regulation system.

5.3. Advertising Standards Bureau (ASB)

Complaints about the content of outdoor advertisements are managed through the ASB, which considers advertising complaints across all media. Complaints can be made about the issues covered by the various codes – most particularly the AANA Code of Ethics. The ASB does not consider complaints about issues covered by the:

- Therapeutic Goods Advertising Codes Council;
- Weight Management Council;
- Alcohol Beverages Advertising Code;
- Australian Competition and Consumer Commission (ACCC); or
- Australian Security and Investments Commission (ASIC).

Complaints are adjudicated by the Advertising Standards Board, which is made up of individuals who are representative of the community and not connected to the advertising industry. The Board includes 20 people from a broad range of age groups and backgrounds and is gender balanced – representative of the diversity of Australian society. The profiles of the current Board members can be viewed at:

<http://adstandards.com.au/aboutus/theadvertisingstandardsboard/boardmemberprofiles>

The ASB conducts research to inform itself about community standards, and the decisions of the Advertising Standards Board have evolved to reflect any changes in community standards.

5.4. Government regulation of misleading and deceptive advertising

Allegations of misleading and deceptive advertising are generally overseen by the Australian Competition and Consumer Commission (ACCC), under the Competition and Consumer Act 2010 (previously the Trade Practices Act 1974).³² So, for example, we understand that when the ASB received complaints about the veracity of claims made in Advanced Medical Institute (AMI) advertisements, these were referred to the ACCC.

However, allegations of misleading and deceptive advertisements about financial products and services are overseen by the Australian Security and Investments Commission (ASIC) under the ASIC Act 2001.

5.5. Government contracts and policies

Some Local Councils enter into contracts with media display companies, under which the company will build and maintain public infrastructure,³³ in return for opportunities to display third-party advertising (for example, on bus shelters, telephone booths and free-standing advertisement panels). Similarly, some State rail and road authorities enter into contracts with media display companies, under which the company will display advertisements. Among other things, these contracts enable the public authorities to raise revenue through the advertising.

The terms of the contracts, which reflect the policies of the public authorities, may be quite specific about the types of advertisements that are displayed, where and when. So, for example, there may be a condition that no political advertisements may be displayed or that no advertisements of a particular product may be displayed.

A testimonial from one such Government partner is attached at Appendix 15.

5.6. Commercial contracts and policies

Media display companies also enter into contracts with commercial property owners such as shopping centres and airports. Again, the contracts, which reflect the policies of the property owner, may restrict the types of advertising that can be displayed. So, for example, a contract with a shopping centre may prohibit the display of advertisements promoting businesses in a competing shopping centre.

A testimonial from one such commercial partner is attached at Appendix 16.

³² The ASB does consider some issues relating to truth and accuracy and misleading and deceptive behaviour under the specific provisions of the AANA Food and Beverages Advertising and Marketing Code, AANA Code for Advertising and Marketing to Children and the AANA Environmental Claims in Advertising and Marketing Code. However, the Advertising Standards Board considers these issues in the context of community standards and expectations, rather than reaching a legal opinion.

³³ For example, bus shelters, bicycle stations, bicycles, public toilets, kiosks, bins, park benches etc.

5.7. Internal review procedures

The OMA's members conduct internal reviews of advertisements before they are displayed, to ensure as far as possible that the advertisements do not breach an applicable code. For example, we understand that numerous advertisements that the Advanced Medical Institute (AMI) sought to display on billboards were declined after internal review.

Examples of industry members' internal review processes are attached at Appendix 17.

6. COMPLIANCE WITH THE VARIOUS REGULATORY FRAMEWORKS

The industry is entirely compliant with State and Local Government regulations, contractual requirements, and the decisions of the Advertising Standards Board. In relation to the latter, the OMA's members have been entirely co-operative on the small number of occasions when they have been asked to remove an advertisement. Advertisements found to be in breach are removed as quickly as practicable and not re-posted.³⁴

In order to remove a billboard from display after an adverse finding, the following must be considered by the outdoor media display company:

- How is the site accessed?
- Are road closures necessary?
- Is a permit required to install a new advertisement?
- Does the site require any special equipment (for example, a cherry picker)?³⁵
- Does the site require qualified abseiling workers and/or safety protection officers?
- Is the site accessed through a building that is only open on weekdays, or only available for after-hours access?
- When can all these factors be co-ordinated to remove the display?

Therefore, depending on the particular site, it can be a complex logistical operation to remove an advertisement at short notice. Nevertheless, the industry's 100% compliance with the findings of the Advertising Standards Board demonstrates its commitment to the self-regulatory framework.

³⁴ Where the Advertising Standards Board upholds a complaint about an advertisement in any media, the ASB requests that the advertiser remove the advertisement within 7 days. An outdoor advertising display company can usually remove its displays within this timeframe, however on rare occasions it may take a little longer due to the logistics of removing an advertisement.

³⁵ Standard billboard sizes range from about 13 to 84 square metres, though they can be as big as 1000 square metres.

In contrast, on-premise advertising is generally less regulated than third-party advertising, notwithstanding that the structure of the sign may be similar in nature.³⁶ Where on-premise advertisements *are* regulated, there is very little compliance. For example, some on-premise signs along the roadside will include flashing lights or scrolling digital messages, contrary to regulatory requirements. These breaches generally continue unchecked by the relevant authority, unless a specific complaint is received by the authority. On-premise advertisers are often not aware of the various controls and regulations.

7. EFFECTIVENESS OF SELF-REGULATION OF OUTDOOR ADVERTISING

The OMA submits that self-regulation is effective, and that the industry can be relied upon to comply with appropriate self-regulatory systems.

The effectiveness of the current system is demonstrated by comparing the number of advertisements displayed, with the small number of complaints made to the ASB, and the even smaller number of adverse findings:

- The industry ran about 14,500 campaigns in 2010, comprising more than 30,000 different advertisements.
- These advertisements were displayed across about 73,000 different advertising display panels.
- MOVE,³⁷ the outdoor advertising industry's audience-measurement system, predicts that almost every person over the age of 14 in Sydney, Melbourne, Brisbane, Adelaide and Perth will see at least one advertising campaign each week.³⁸
- Even with these vast numbers, the ASB only considered 90 cases about outdoor advertisements in 2010, at least 23 of which were not third-party advertisements (for example, they were advertisements on the side of vehicles owned by the advertiser, other on-premise signs, or mobile telephone advertisements).
- 15 of these were found to be in breach of the AANA Code of Ethics, of which 7 were not third-party advertisements. That is, 46.6% of upheld cases were not about third-party advertisements.
- The 8 third-party advertisements that were the subject of an adverse finding by the ASB represent 0.026% of the 30,000 outdoor industry advertisements in 2010.

The OMA acknowledges that a small percentage of outdoor advertisements have been the subject of adverse findings, and is considering ways in which the current systems may be streamlined. However the above statistics certainly suggest that the existing system is extremely effective.

³⁶ For example, some Local Councils do not require on-premise signs to go through a lengthy assessment process to qualify for a permit.

³⁷ In 2010 the OMA launched Measurement of Outdoor Visibility and Exposure (MOVE). MOVE is a national audience measurement system for outdoor advertising.

³⁸ Sydney – 99.6%; Melbourne – 98.9%; Brisbane – 95.8%; Adelaide 98.6%; Perth – 98.2%.

The OMA also submits that judgements about whether an advertisement complies with an agreed set of standards will always be subjective, and will depend on which individual or group is making the judgements. It follows that a perfect record of no complaints or no breaches is unrealistic.

The effectiveness of the current system is supported by the well-established and productive relationship that the OMA has with the ASB and the AANA. The ASB notifies the OMA when a complaint is received about an outdoor advertisement, and again if the Advertising Standards Board upholds the complaint. If the advertisement was displayed by an OMA member, the OMA will ensure that the member assists the complaints process as necessary. Further, the OMA has been a member of an ASB convened industry and community consultative group whose aim was to assist in the design and implementation of community standards research, and therefore has a good understanding of changes in community standards.

As discussed above, the OMA's members are 100% compliant with the findings of the Advertising Standards Board. Even in the event that an advertiser refuses to withdraw their advertisement, the OMA's members will take the advertisement down.

8. BENEFITS OF SELF-REGULATION

The benefits of self-regulation include the following:

1. Complaint resolution times are generally quicker than in regulatory and co-regulatory schemes.³⁹ Any delays in complaint handling timeframes impact upon both the complainant and the respondent.
2. Self-regulatory schemes are adaptable and able to respond quickly to changes in circumstance or community attitudes. In contrast, legislative frameworks take more time and effort to amend.
3. Both the spirit and the letter of self-regulatory codes should be complied with, as opposed to legislation which generally demands compliance with the strict letter of the law.
4. Self-regulation is funded by industry. Government regulation would require public funds to establish, apply and enforce the scheme.
5. Self-regulation has the support of industry. A system enforced by Government can undermine the goodwill of the industry that is committed to the success of the self-regulatory scheme.

The OMA submits that the benefits of the current self-regulatory system by far outweigh the small number of occasions on which a complaint has been upheld.

³⁹ Please refer to the statistics provided in the Advertising Standards Bureau's submission.

9. GOVERNMENT REGULATION WOULD IMPACT UPON THE INDUSTRY

As discussed, the outdoor media industry is already subject to a wide range of different regulations and controls.⁴⁰ The industry also manages a number of challenges that are specific only to outdoor advertising, including:

1. The numerous sizes and types of outdoor advertising displays. An advertiser will often need to provide different advertisement artwork to display on the various types of display panels – some may be in digital format and some may be printed on posters or billboards of varying sizes.
2. The logistical effort and financial cost to install and remove advertisements.

The nature of the outdoor advertising industry is also such that it would not adapt easily to Government regulation, as follows:

1. The outdoor industry is fast-paced and relies on quick processing of advertisements for installation. Some examples of typical deadline-driven scenarios are described in Appendix 18. As a result of the fast-paced nature of the industry, any regulatory delay in outdoor media is likely to cause difficulties for advertisers, with the result that outdoor advertising will become less suitable.
2. Advertising aims to communicate with target markets. As such, an advertisement that is appealing to one demographic of the population may not be appealing to another demographic of the population. Any black and white regulation of this subjective medium would lead to the homogenisation of outdoor advertisements. Again, outdoor advertising would become less suitable to advertisers as a result.

In view of the above, Government regulation of outdoor advertising would enable other media to gain an advantage. The OMA submits that the small number of complaints that have been upheld by the Advertising Standards Board do not justify this loss of advantage. Further, the invariable loss of industry revenue would affect:

- employment in the industry;
- the contribution of the industry to the national economy; and
- the industry's ability to continue making significant contributions to the community.⁴¹

Again, such consequences do not appear reasonably justified where only 0.026% of third-party advertisements have been the subject of an adverse finding by the Advertising Standards Board.

⁴⁰ Refer to sections 4 and 5 of this submission.

⁴¹ Refer to section 3.3 of this submission.

10. CONCLUSION AND RECOMMENDATIONS

The OMA submits that the current self-regulatory system for outdoor advertising is effective. The effectiveness of the current system is demonstrated by:

- the small number of cases upheld by the Advertising Standards Board, relative to the large number of advertisements displayed (0.026%); and
- the industry's compliance with findings of the Advertising Standards Board.

The social responsibility of the industry demonstrates that it can be relied upon to comply with appropriate self-regulatory systems.

The OMA submits that the benefits of the current self-regulatory system (including overall effectiveness and cost-efficiency) by far outweigh the small number of occasions on which a complaint has been upheld. It would be unnecessarily cumbersome to subject some 30,000 third-party advertisements annually to government regulation where 99.97% of them are innocuous.

A Government regulatory framework for outdoor advertising would reduce the viability of outdoor advertising in comparison to television, radio, internet and print advertising. The OMA considers that this outcome is not justified by the small number of complaints upheld by the Advertising Standards Board. Such an outcome would have an effect on the industry and on the industry's ability to continue making substantial contributions to the community.

Therefore, the OMA makes the following recommendations:

1. The current system of self-regulation should be maintained.
2. If a stricter regulatory framework is imposed on outdoor advertising, it should be applied consistently across all outdoor advertising, including on-premise advertising.

APPENDICES 1 TO 18

Please refer to the next PDF document for the Appendices.

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APPENDIX 1

OMA Members

MEMBER NAME	MEMBERSHIP CATEGORY
1. Adshel	Media display
2. APN Outdoor	Media display
3. ASAPS	Non Media Display
4. Bailey Outdoor	Media display
5. Billboard Connection	Media Display
6. Bishopp Outdoor	Media display
7. Brite Solutions	Non media display
8. Cactus Imaging	Non media display
9. Country Outdoor Signs	Non media display
10.Eyecorp	Media display
11.GOA	Media display
12.Independent Outdoor Melbourne	Media display
13.JCDecaux	Media display
14.MetroSpace	Media display
15.MMT Global	Non media display
16.oOhmedia (formerly Network Outdoor)	Media display
17.Octopus Media	Media display
18.Omnigraphics	Non media display
19.Outdoor Systems	Media display
20.Paradise Outdoor	Media display
21.Prime Signs	Non media display
22.Prismaflex	Non media display
23.RailCorp	Asset Owner
24.Roads & Traffic Authority NSW	Asset Owner
25.ROVA Media	Media display
26.Savage Outdoor	Media display
27.Seemedia	Media display
28.Sports and Outdoor Media	Media display
29.Tayco Outdoor Advertising	Media display
30.Titan Media Group	Media display
31.Torch Media	Media display
32.Ultimate Sign Installations	Non media display
33.Warren Miles and Associates	Media display

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18 December 2007

National Economic Study of the Outdoor Media Industry

Report by Access Economics Pty Limited for the
Outdoor Media Association

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EXECUTIVE SUMMARY

Over the past five years, outdoor media has made a continued and relatively unobtrusive entrance into the Australian economy and culture. Media suppliers and, small businesses to multi-national organisations are increasingly acknowledging the effectiveness and reach potential of outdoor advertising. Today, every industry sector is featured on outdoor media in some form.

While historically, outdoor advertising panels have been viewed by some stakeholders as unattractive additions to their local surrounds, a June 2007 AC Nielsen survey suggests that people's attitudes are mostly positive (49% of those surveyed) or neutral (38%) towards outdoor media and improve further once informed of the significant public benefits and community infrastructure projects provided by the industry. In the 2006-07 financial year, for every;

- ❑ \$100 of revenue the outdoor media industry donated \$1 of in-kind funds to charities; and
- ❑ 100 commercial advertising sites the outdoor media industry provided 15 public infrastructure sites to local councils.

The industry provides a significant amount of public facilities and street furniture – such as bus/tram shelters, and park benches. The current replacement value of these assets is \$205 million. In the absence of outdoor media, local governments could face significant challenges in financing these facilities.

The outdoor media industry in Australia is represented by the Outdoor Media Association (OMA) and covers a range of advertising panel formats. Access Economics was commissioned by the OMA to design an economic activity survey to estimate the aggregate economic contribution and productivity of the outdoor media industry. Due to the relatively concentrated nature of the industry, the 18 responses represented approximately 98% of the outdoor media industry. As such, the key headline figures are based on a near-complete census of the industry.

MEASURES OF PRODUCTIVITY & ECONOMIC CONTRIBUTION BY THE OUTDOOR MEDIA INDUSTRY

Measure	Outdoor Media Industry Results			Benchmark 2007
	2005	2006	2007	
Contribution to national GDP (%)	0.02%	0.02%	0.02%	
Value added per FTE (\$)	\$228,933	\$240,877	\$232,343	\$105,000
Revenue per FTE (\$)	\$564,950	\$598,362	\$588,084	
Revenue per Site (\$)	\$5,156	\$5,655	\$6,075	
Sites per FTE (no.)	110	106	97	
Net Profit Margin (Net profit/Sales) (%)	16%	17%	12%	16.05%
Cost of Goods Sold (COGS) per \$1 Revenue (\$)	\$0.59	\$0.60	\$0.60	\$0.47
Inventory Turnover (COGS/Site)	\$3,067	\$3,378	\$3,675	

Note: Benchmarks are extracted from Australian (ABS) and US (Reuters) printing and publishing industry results

The summary table above provides an overview of the performance of the outdoor media industry in Australia benchmarked to economic contribution indicators and productivity indicators for the printing and publishing industry. Outdoor media's contribution to national GDP is modest, however the low cost, high-return nature of the industry implies returns per unit of input are highly effective (eg. high value added and revenue returns per FTE).

The low marginal cost base on outdoor media supply allows the industry to operate on relatively high value margins (i.e. 17% profit margin in 2006). The 2007 net profit margin (12%) is relatively lower compared to previous years due primarily to new entrants who incur high upfront establishment costs. Based on forecast growth rates the margin is expected to bounce back to 15% in 2008.

The survey asked respondents to provide information on historical revenues and selected market activity. On aggregate outdoor advertising company revenues grew at an average annual rate of 10.1% from 2005 to 2007 – powered by innovative high tech formats and fragmenting audiences for rival advertising channels. Overall, the industry is evolving on a basis of robust operational and economic foundations.

2007 FINANCIAL YEAR PERFORMANCE

Financial year (or equivalent*)	2007
Revenue (total sales, excluding GST)	\$473.3
less other non-labour costs	\$286.3
Value Added (\$m)	\$187.0
GST (indirect tax) on input	\$7.8
Income, corporate, operational (direct taxes)	\$18.1
<i>National Real GDP (\$m)**</i>	<i>\$953,798</i>
Direct contribution to national GDP (%)	0.020%
<i>Employment (FTE)</i>	<i>805</i>
Direct value added per FTE (\$)	\$232,343

Source: Access Economics and OMA Industry Survey 2007

* Note: financial years differ somewhat between OMA members

** Source: Access Economics, *Financial Year Business Outlook*, September 2007

It is reasonable to expect the current standing of the industry in terms of revenue growth, productivity and GDP contribution to improve in the near term due to the emerging nature of the industry. As the outdoor media sector grows and start-up costs diminish relative to revenues, the ongoing strength in demand for large format and transit sites and the continued roll out of street furniture can be expected to improve net revenue flows and productivity of the industry.

With new technologies such as digital billboards, which provide rotating advertising on a single panel, the industry can potentially achieve significant efficiency gains. Thus, the growth in economic contribution, in the short term at least, has a high potential to outweigh growth in direct employment (FTEs).

State Snap Shots

Currently New South Wales and Victoria dominate the outdoor media industry, encompassing over two thirds of the national revenues. Queensland has revealed itself as a high growth region in terms of innovations, forward thinking and flexible policies, and may become a major market leader in the coming years. Tasmania and the two Territories, however, are yet to embrace the industry, presumably due to the relative sizes of the economies and the presence of restrictive regulations and guidelines (regulatory controls in the ACT had outdoor media banned entirely until 2006).

The table on following page provides a detailed jurisdictional breakdown of the outdoor media industry in Australia based on the OMA Industry survey responses.

	NSW	VIC	QLD	All Other Jurisdictions	Australia
Employment (as at 30 June 2007)					
Full time	498	172	119	43	832
Part time	6	1	10	1	18
Casual	3	0	5	1	9
Contract	14	0	12	1	27
Total (head count)	521	173	146	46	886
Total Full Time Equivalents	500	173	122	44	838
<i>% contribution to national FTE total</i>	60%	21%	15%	5%	100%
Expenses (\$m)					
Labour costs	\$47.0	\$12.1	\$7.5	\$3.5	\$70.1
Non-labour costs	\$148.5	\$64.3	\$42.8	\$30.7	\$286.3
Total expenses	\$195.5	\$76.4	\$50.3	\$34.2	\$356.4
<i>% contribution to national total</i>	55%	21%	14%	10%	100%
Revenue by Source (\$m)					
Media revenue	\$172.0	\$109.5	\$60.8	\$42.9	\$385.2
Non-media revenue	\$38.8	\$16.5	\$13.4	\$6.4	\$75.1
Revenue by Client/Campaign Type (\$m)¹					
National	\$145.1	\$91.9	\$36.9	\$22.2	\$296.2
State	\$44.5	\$24.7	\$19.1	\$15.5	\$103.8
Local/Regional	\$18.3	\$9.0	\$17.5	\$10.4	\$55.1
Revenue by Sector (\$m)¹					
Government	\$13.2	\$8.8	\$3.7	\$1.9	\$27.6
Private	\$191.5	\$114.5	\$67.8	\$45.3	\$419.2
Not-for-profit	\$3.2	\$2.2	\$1.1	\$0.8	\$7.3
Total revenue	\$210.8	\$126.0	\$74.2	\$49.3	\$460.3
<i>% contribution to national total</i>	46%	27%	16%	11%	100%
Number of Advertising Panels by Type					
Large format	1,627	566	420	259	2,873
Transit	18,219	8,318	4,250	6,370	37,157
Street furniture	11,546	7,506	4,649	4,322	28,022
Posters	1,690	635	1,728	393	4,446
Total number of advertising panels	33,082	17,025	11,048	11,344	72,499
<i>% contribution to national total</i>	46%	23%	15%	16%	100%
Charity (\$) ²					
Donations	\$5,000	\$0	\$17,978	\$0	\$390,228
Free advertising space	\$1,910,239	\$780,535	\$508,098	\$248,775	\$4,054,947
In-kind services	\$5,000	\$10,000	\$49,000	\$0	\$64,000
Other donations	\$0	\$0	\$6,500	\$0	\$6,500
Total charity donations	\$1,920,239	\$790,535	\$581,576	\$248,775	\$4,515,675
<i>% contribution to national total</i>	43%	18%	13%	6%	100%
Public Infrastructure (number of items)					
Bus/tram shelters	2,515	3,793	900	1,300	8,508
Bins provided	909	152	0	0	1,061
Park benches	575	0	0	0	575
Public toilets provided	13	1	0	0	14
Pedestrian bridges provided or subsidised		29 nationally			29
MUPI	240	210	90	0	540
Kiosks	81	0	60	10	151
Billboard	100	240	0	0	340
Total public infrastructure donations	4,433	4,396	1,050	1,310	11,189
<i>% contribution to national total</i>	40%	39%	9%	12%	100%
Recipients of Funds or In-kind Benefits (\$m)					
Emergency service organisations	\$0.1	\$0.0	\$0.1	\$0.0	\$0.2
Local councils	\$15.5	\$13.3	\$4.7	\$5.8	\$39.3
Private road owners/corporations ³	\$0.0	\$3.5	\$0.2	\$0.0	\$3.7
Government road corporations ³	\$0.1	\$0.0	\$0.2	\$0.0	\$0.3
Others	\$0.1	\$0.0	\$0.3	\$0.0	\$0.4
Total contributions	\$15.8	\$16.8	\$5.4	\$5.9	\$43.9
<i>% contribution to national total</i>	36%	38%	12%	13%	100%

Notes: ¹Sum of the breakdowns will not add up to total revenue by source due to missing data. ²Breakdown represents location of charity (rather than business). The difference in the sum of the jurisdictions and Australian total represents contributions to 'nationwide' charities. ³Excluding application fees

1. INTRODUCTION

Access Economics was commissioned by the Outdoor Media Association (OMA) to undertake a national economic study of the outdoor media industry. The OMA is the national peak industry body which represents most of Australia's Outdoor Media Display (OMD) companies and production facilities, and some Media Display asset owners.

The aims of the study are two-fold:

- ❑ To estimate the value of the industry and its direct and flow-on benefits to the Australian economy as well as to local economies and communities. This will assist the OMA in responsibly and effectively representing the industry.
- ❑ To assist individual OMA members in their current and forward planning, particularly with regard to providing industry benchmarks against which to measure their recruitment, sponsorship and expenditure practices.

This report is organised as follows;

- ❑ Section 2 provides some background information on the outdoor media industry in Australia; types of formats and the outdoor media market;
- ❑ Section 3 discusses the survey design and data caveats in terms of consistency for results aggregation;
- ❑ Section 4 provides a summary of historical trends in the industry - including more detailed breakdowns by 2006-07 financial year, jurisdiction and format type – and identified business risks.
- ❑ Section 5 analyses the economic contribution (direct and indirect) of the outdoor media industry in terms of value added and employment;
- ❑ Section 6 outlines the community contributions made by the outdoor media industry in terms of in-kind funds, public infrastructure, and environmental initiatives; and
- ❑ Section 7 lists literature references used for the compilation of this report.

Caveat

It is important to distinguish between 'economic contribution' and 'economic impact' studies.

- ❑ 'Economic contribution' studies are intended to quantify the revenue, value-added, employment, etc, that are associated with a given industry (in this case, outdoor media). In a fundamental sense, such studies are historical accounting exercises (although doing them properly, obtaining high survey response rates, and complying with national accounting rules to ensure no double-counting or exaggeration of results, is not a straightforward task). No 'what-if', or counterfactual inferences, such as 'what would happen if the industry disappeared or was constrained?' should be drawn from them.
- ❑ 'Economic impact' studies are different. To be done properly, typically they require the use of computable general equilibrium (CGE) models, and require specification of some initial 'shock' or change in conditions, to allow a comparison of 'before' and 'after' model solutions. Rather than historical in nature, these studies are forward looking and are all about answering 'what if' questions (particularly relating to a future policy change or a future infrastructure investment), and drawing model-based inferences as answers to such questions.

2. BACKGROUND

The Outdoor Media Industry in Australia has been growing steadily in recent years. It has been targeted (along with online advertising) as a source of the highest potential revenue and public awareness growth due to its cost effectiveness, continuous presence, high visibility and ability to reach target audiences en masse without waste.

The outdoor media industry in Australia is a diverse mix of a handful of large established companies (public and private), and smaller growth enterprises, many of which have entered the industry within the last five years. Indeed, the two publicly listed companies combined earned more than \$180 million (or than 40% of industry total) in revenues in 2006-07 from outdoor media supply and management.

Outdoor media formats

Although outdoor advertising is commonly associated with billboards, outdoor media covers a broad range of advertising opportunities with varied reach and selectivity. Indeed billboards only account for 4% of advertising formats in Australia. From aerial advertising to street furniture and transit advertising, a variety of outdoor media cater to different purposes and budgets.

The OMA covers four main categories of display advertising:

- ❑ Large format
 - supersites (12.66m by 3.35m): highways and arterial routes, they can be illuminated or backlit
 - spectaculars (anything larger than supersites)
 - airport externals
- ❑ Street furniture
 - Bus/tram shelters, kiosks, phone booths
 - internal/external shopping centres
 - street signs
 - illuminated street poles
- ❑ Transit
 - buses
 - railways
 - trams
 - taxis
 - airports
- ❑ Posters
 - 6 sheet (3m x 1.5m)
 - 24 sheet (6.1m by 3.1m)

More than 95% of revenue generated from outdoor advertising is covered by one of these formats. Other outdoor advertising include corporate sky signs (wall or roof mounted and usually illuminated), and hoardings around development sites (e.g advertising office space in the new construction) where there is no third party stakeholder (i.e. none of the advertisement boards relate to third party interests).

Users of outdoor media

Advertisers are increasingly acknowledging the effectiveness and reach potential of outdoor advertising. Today, every industry sector is featured on outdoor media in some form compared to only a select few a decade ago.

In 2005, the major spenders on outdoor media were from the telecommunications, food and beverage, airlines, media and electronics industries. According to Nielsen Media Research, the top 10 advertisers in outdoor media in that year were: Telstra, Foster's Group, Vodafone, Nestle Australia/L'Oreal, Unilever Australia, Sony Australia, News Corporation, Virgin Blue, the Queensland Government, and Qantas.

When done well, outdoor advertising has the potential to add to the richness of local environments. Whether integrated into city streetscapes or strategically placed along major highways, outdoor media tells stories in its bid to move products or communicate messages. The quality of creative execution remains integral to effective outdoor advertising. Despite new technologies affording opportunities for innovation, the clarity of messaging and power of imagery are still required to make an advertisement compelling and effective.

Many developed countries, such as France, Germany, Japan, as well as cosmopolitan cities such as New York encourage bold creative applications of outdoor media, from building wraps to multi-dimensional digital displays (static and animated) and talking billboards.

Target audience of outdoor media

While consumer businesses are embracing the effectiveness of outdoor media, the general public, whether it due to knowledge asymmetry surrounding the industry or a divergence of priorities (eg. revenue versus environment outcome driven), are slightly less accepting.

In June 2007, AC Nielsen conducted an online survey into Australian public attitudes about outdoor advertising. The figures show that while 49% of the public are supportive of the role of outdoor advertising, 38% are neutral and a further 13% have a negative attitude towards it.

However, a notable majority of people surveyed did not know outdoor advertising space (worth around \$4 million in 2006-07) is donated to charities each year or that the industry subsidises the construction and ongoing maintenance of a range of community infrastructure (such as bus/tram shelters). Once informed, people's attitudes towards the industry materially improved, and 87% of those surveyed believed the industry should continue to subsidise public infrastructure.

The bulk of the public believes that the outdoor is appealing for numerous types of advertising including road safety campaigns, local community services, charity campaigns, and government services and campaigns.

Outdoor advertising's share of total advertising

From an international perspective, revenue share for outdoor advertising is higher in some European and Asian countries than Australia because of differences in population densities, public transport use and government regulations.

A breakdown of international outdoor advertising based on 2005 revenue results is shown below.

Market	\$ million AUD	Share of media market
Australia	354	3.5%
Canada	352	2.5%
France	n.a.	13.0%
Hong Kong	334	4.8%
Japan	2,900	4.4%
United Kingdom	2,200	9.2%
United States	8,200	3.1%

Source: OMA website, <http://oma.org.au/facts-figures/>

3. SURVEY

3.1 DESIGN

To reliably estimate the aggregate revenue stream and value added of the outdoor media industry, OMA and Access Economics designed the 'OMA industry survey'; ensuring that the data collected in the survey are consistent in definition with broader statistics collected by the Australian Bureau of Statistics.

Access Economics assisted the OMA in the survey design. The data captured (on a state-by-state and regional/metropolitan area basis) in the survey includes:

- ❑ Current and projected full time equivalent (FTE) employment levels (including a head count split by full-time, part-time, casual and contract positions);
- ❑ Current and projected number of advertising panel sites broken down by format type (i.e. large format, transit, street furniture or posters);
- ❑ Current and projected expenditure (eg. wages and salaries, other non-labour costs such as rent and materials, investments) and revenue data (including a media/non-media split and media revenue by client type and sector);
- ❑ State, Commonwealth and local council taxes paid;
- ❑ Public benefit expenditure in terms of sponsorships, in-kind charitable donations and other community involvement;
- ❑ Descriptions of organisational environmental programs and initiatives;
- ❑ Identification of any business risks to the individual organisations and the overall industry;
- ❑ Public infrastructure constructed and other public contributions, and the related capital and operating expenditure on the investments; and
- ❑ Historical trends of key statistics for the previous four financial years.

To capture the linkages of the outdoor media industry with upstream and downstream industries, members were requested to provide expenditure data on supplier services (or intermediate inputs). That is, the outdoor media industry does not only directly employ a large number of workers but also generates a considerable amount of indirect employment. For example, outdoor media infrastructure such as display panels integrated into street furniture and billboards require content that is provided by advertising agencies, which employ copywriters and graphic designers etc. This concept is explored further in Section 5.1 of this report.

The results presented in this report are an aggregated view of all survey respondents (18 organisations), estimated to comprise around 98% of the entire outdoor media industry in Australia.

3.2 DATA CAVEATS

As is the nature of survey data, there were a handful of inconsistencies in the responses. Where possible the nominated contact person for each organisation was contacted to discuss any such data discrepancies. However, primarily due to confidentiality reasons, it was not possible to obtain a complete data set from every member organisation. Thus, the following objective adjustments were made by Access Economics:

- ❑ Historical taxes (excluding GST) – some survey respondents did not report their Commonwealth, State and Local government taxes in the five year historical trend data. In most cases, 2007 financial year taxes were available from an alternate survey question. Historical taxes were assumed to be consistent with 2007 taxes as a proportion of revenues.
- ❑ Historical costs (non-labour) – in cases where ‘other’ (or non-labour) costs were not reported in the five year historical trend data, they were set equal to 60% (based on aggregate data from completed surveys) of financial year revenues.
- ❑ Historical costs (labour) – in cases where staff costs were not fully reported in the five year historical trend data, historical financial year revenues were multiplied by the 2006-07 financial year staff costs as a proportion of 2006-07 financial year revenues. A similar adjustment was made for interest, depreciation and amortisation deductions.
- ❑ Historical trend data versus 2007 financial year breakdowns – occasionally there were some minor discrepancies between theoretically identical cash flow items reported in different sections of the survey. In these cases, a judgement was made as to which was the most accurate figure and any more occurrences of the same item were adjusted to match for consistency.
- ❑ GST in historical cash flow – All surveys were checked, and adjusted where necessary, to ensure GST had been excluded from historical revenue and tax items.
- ❑ 2007 financial year expenses by state – In cases where the split of non-labour and labour costs by state was not provided, the labour cost state breakdown was set proportional to the Full-Time-Equivalent (FTE) employment state breakdown and, the non-labour cost breakdown was set proportional to the advertising panel state breakdown.
- ❑ 2007 financial year revenues by state – Similar to the previous bullet point, the state based revenue breakdown (when not reported) was set proportional to the advertising panel state breakdown.
- ❑ Consistent reporting of low level definitions – All surveys were checked, and adjusted where necessary, to ensure all low level data items were reported consistently within defined categories (e.g. Type of tax or non-labour expenditure)
- ❑ Percentage breakdown of media revenue – All surveys were checked, and rescaled or adjusted where necessary, to ensure the state based breakdown of revenue into media and non-media cash flows sum to 100%. A similar approach was taken for discrepancies in the advertising panel by format state breakdown.
- ❑ 2008 forecast growth – where companies have not reported their expectations for 2008 growth, two approaches were taken;
 - 1 **Forecast Method 1:** The results from **aggregated** data from completed surveys were assumed; or, as an alternative estimation approach,
 - 2 **Forecast Method 2:** The **historical** average annual growth rates (based only on actual data) of the individual companies were assumed. Note that, if the company contained only one year of actual data or the figures were too small to reliably estimate a growth rate, aggregated data results were assumed.
- ❑ Historical trend aggregation by ‘financial year’ - As organisations differ in their definitions of ‘financial year’, the historical trend data is aggregated such that annual data ending as at 30 June 2003, 31 August 2003 and 31 December 2002 (and so on going forward) are accumulated without time adjustment.

Each additional modification adds a further element of uncertainty in the results of individual surveys. However, in aggregate, the data has been reported in a consistent manner, and in

broad terms, the growth and value added reporting of the industry is believed to be a reasonably accurate reflection of reality. Furthermore, when available, the results have been benchmarked against external data to check for reliability.

Individual surveys and aggregate results are detailed in an Excel format. The aggregation spreadsheet uses formulas to decrease the risk of human errors during this stage of the analysis.

4. DATA SUMMARY

This Section summarises the key trends in terms of cash flows, market activity and jurisdictional presence of outdoor media in Australia.

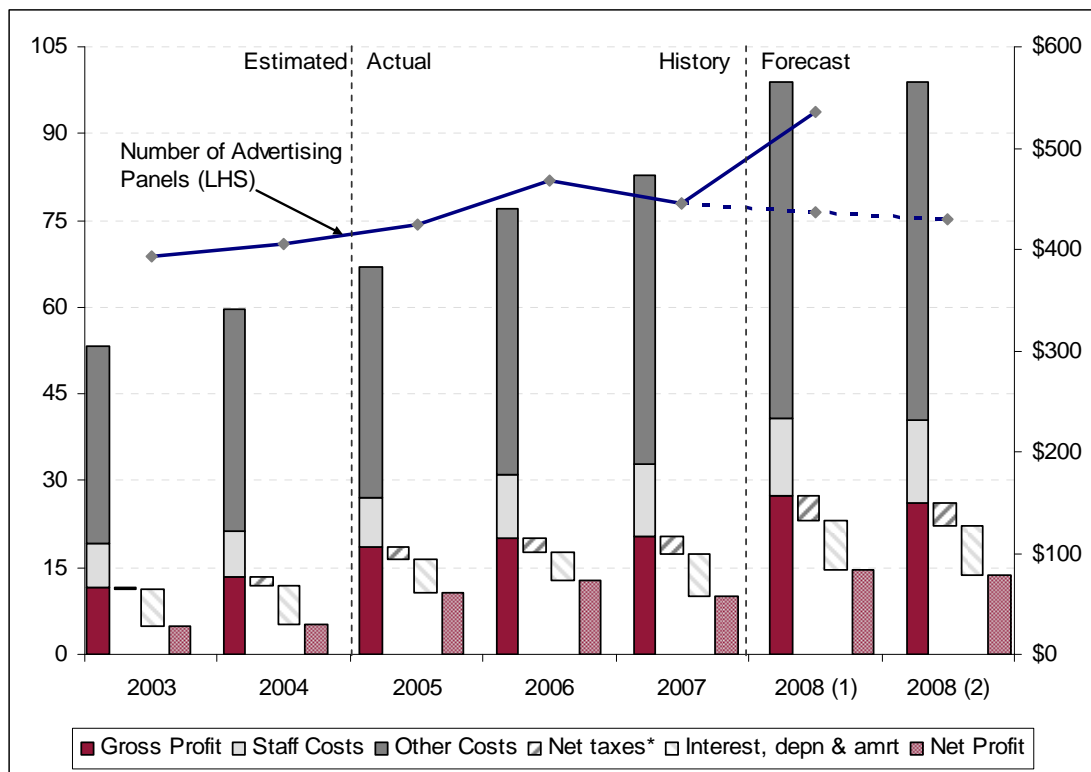
The overall survey response rate covered approximately 98% of all outdoor media, resulting in a comprehensive measure of the industry's activity.

4.1 HISTORICAL REVENUES

Outdoor advertising in Australia has been growing solidly over the past five years. Chart 4.1 plots the annual aggregate OMA member industry profits in millions of dollars, and the number of advertising panels nationwide.

Note that over the last two years, the OMA industry survey results have reported revenues at around 15% higher than those of the PWC outlook (Table 4.1). The PWC outlook report encompasses media related revenue only, while survey results are both media and non-media revenue. The detailed results analysis of revenue breakdown shows that non-media revenue makes up approximately 16% of overall outdoor media revenue (refer to Chart 4.2). Thus, the reported earnings results appear to be consistent between the two sources.

CHART 4.1: NET PROFITS (\$M) AND SITE PREVALENCE ('000) BY FINANCIAL YEAR



Source: Access Economics and OMA Industry Survey 2007.

(1) Forecast Method 1 – based on aggregates. (2) Forecast Method 2 – based on company historical growth.

*Net taxes = taxes (excluding GST) less government subsidies

The 2003 and 2004 financial year results are heavily caveated as a significant player in the industry did not supply data for these years (the data was estimated based on growth rates from aggregates of completed surveys) and, thus cash flow and site data for these years is subject to a smaller survey response rate, and hence greater uncertainty. The report, therefore, focuses on results from 2005 onwards. For the majority of items more than 90% - excluding non-labour costs (70%) and 2008 forecast growth rates (60% for cash flows, 50% for FTEs, and 30% for advertising panels) – of the results are based on actual reported data (unadjusted)¹.

Outdoor advertising company revenues grew at an average annual rate of 10.1% from 2005 to 2007. Over this time the industry has been boosted by innovative high tech formats and fragmenting audiences for rival advertising and media distribution channels. Growth is forecast to continue into 2008, fuelled by a buoyant advertising market, rollout of an industry-wide audience measurement system, improved technology and the ongoing globalisation of the industry. Forecast revenues for the 2008 financial year exceed;

- ❑ Forecast Method 1: \$564 million based on a weighted industry year-on-year growth rate of 29.3%; or, using the alternate forecasting method
- ❑ Forecast Method 2: \$565 million based on a weighted industry year-on-year growth rate of 19.4%.

While gross revenues have been appreciating at a significant pace, the same cannot be said for net profit. A number of players have entered the Australian outdoor advertising industry (or taken on major clients) within the past five years. These organisations can be expected to incur relatively large upfront establishment costs, which we can expect will reduce (in aggregate) over time. It is also reasonable to expect efficiency gains in ongoing running costs as the industry develops (eg. digital billboards that can show multiple ads on the same display could fuel market growth with a minimal effect on operating expenditure).

Thus, while net profits fell by around \$15 million (or 20%) between the 2006 and 2007 financial years, for the financial year 2008 they are expected to bounce back by a resounding 35% (Forecast Method 2) to 44% (Forecast Method 1) to outstrip the 2006 industry performance.

TABLE 4.1: COMPARISON OF INDUSTRY REVENUE RESULTS BY SOURCE OF DATA

Source (\$m)	2005	2006	2007
OMA Industry Survey (aggregate financial years)	\$383.1	\$439.6	\$473.3
PWC Australian Media Outlook (by calendar year)	\$354.0	\$379.0	\$414.0

Source: Access Economics and OMA Industry Survey 2007

Note: Results relate to slightly different time periods. PWC result for 2007 is a forecast not actual data.

Table 4.1 above compares survey revenue results for the outdoor media industry against the Price Waterhouse Coopers (PWC) Australian Entertainment and Media Outlook². While these data are not directly comparable due to the difference in reporting period (calendar versus financial year) it still remains a worthwhile reliability check. As mentioned at the beginning of this section, abstracting non-media revenue from the OMA figures, the revenue figures are consistent between the two sources.

¹ The organisations are estimated to represent 98% of the outdoor media industry, thus for industry representation percentages multiply these confidence parameters by 98%.

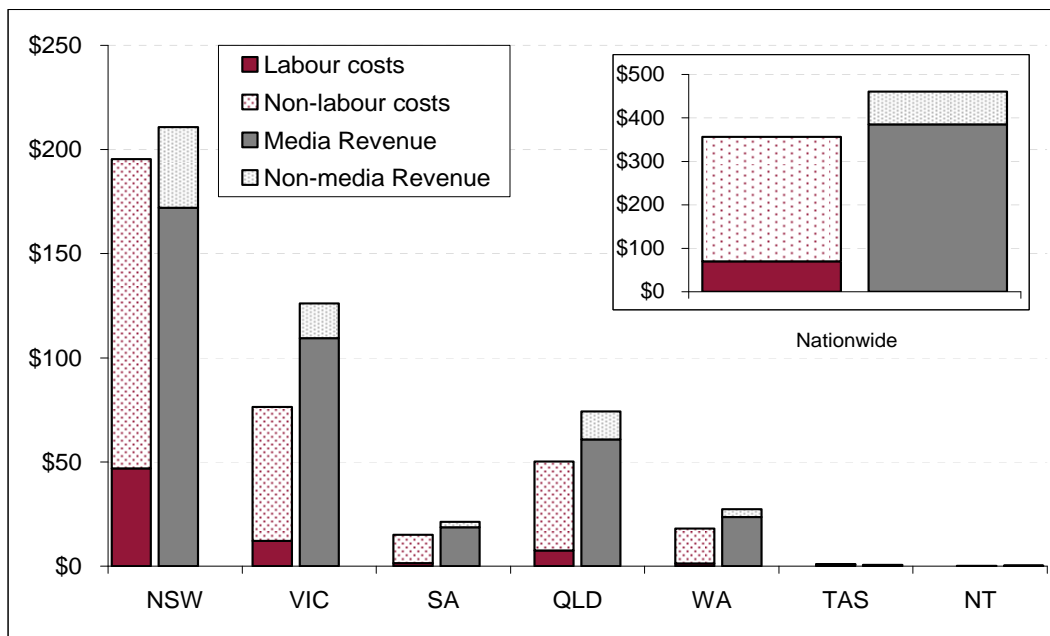
² Based on OMA quarterly revenue media releases. Available on the OMA website - <http://oma.org.au/>

4.1.1 2006-07 DETAILED ANALYSIS

Respondents were asked to provide a further breakdown of the year to 30 June 2007³ revenues and expenditures by source (media vs non-media revenues and labour vs non-labour costs), and jurisdiction.

Chart 4.2 summarises the aggregate results. In terms of expenditure, the majority of costs relate to non-labour expenditures including rent, material supplies, construction contractors and equipment, and others. The indirect impact on industry value added of these intermediate inputs is discussed further in Section 5.4 of this report.

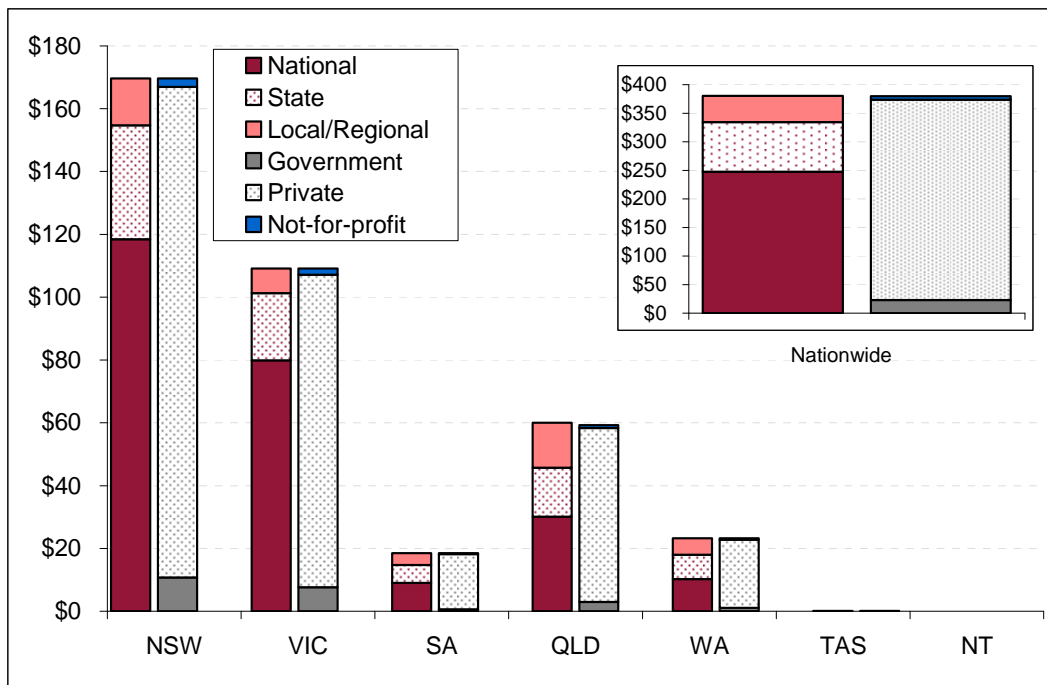
CHART 4.2: REVENUE AND EXPENDITURE BY SOURCE AND JURISDICTION (\$M)



Source: Access Economics and OMA Industry Survey 2007

As would be expected, the majority of revenues are earned through media related activity. Chart 4.3 provides a further split of these revenues by client campaign type (i.e. National, state or local) and Sector (i.e. Government, private or not-for-profit). The bulk of outdoor media campaigns are run at a national level by private companies (eg. Coca-cola, Hoyts cinemas, ANZ etc.), highlighting the global nature of the industry.

³ This data may differ from historical trend figures if an organisations financial year end is not 30 June.

CHART 4.3: BREAKDOWN OF MEDIA REVENUE BY CLIENT TYPE AND SECTOR

Source: Access Economics and OMA Industry Survey 2007

4.2 JURISDICTIONAL AND REGIONAL TRENDS

Currently NSW and Victoria dominate the outdoor media industry (refer to Chart 4.2), encompassing over two thirds of the national revenues. Tasmania and the Northern Territory are yet to embrace the industry, presumably due to the relative sizes of the economies. In the ACT, regulatory controls had outdoor media banned entirely until 2006 but in recent months, new bus shelters funded by outdoor media have commenced roll out (as this is very recent, it does not appear in the data to end-June 2007).

The vast majority of outdoor media sites are located in capital cities (90%), while 10% can be found in rural or regional areas. Again, this can be attributed to the relative sizes of economies and ability of the advertising panel to reach mass audiences.

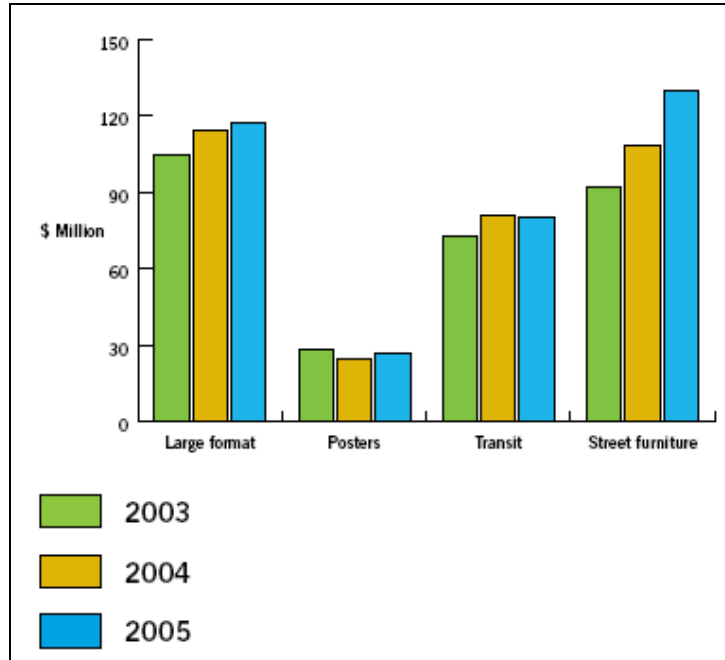
TABLE 4.2: TOTAL ADVERTISING PANELS BY JURISDICTION AND FORMAT, AT 30 JUNE 2007

State	TOTAL (no.)	Large format (%)	Transit (%)	Street furniture (%)	Posters (%)
NSW	33,082	5%	55%	35%	5%
VIC	17,025	3%	49%	44%	4%
SA	4,770	3%	56%	38%	2%
QLD	11,060	4%	38%	42%	16%
WA	6,453	1%	57%	38%	4%
TAS	109	29%	18%	49%	4%
NT	12	27%	73%	0%	0%
Australia	72,511	2,873	37,157	28,022	4,446
		4%	51%	39%	6%
USA*		71%	12%	7%	10%

USA Source: OAAA. Note: One, Queensland based company, concentrates (80%) on supplying small format (6x3 inch) advertising panels. However, this is only a small portion of the entire Qld industry sites.

Table 4.2 outlines the relative patterns of advertising techniques between jurisdictions. While transit advertising dominates most markets due to its ability to reach a mass population, Queensland has shown a significant amount of progress in street furniture and poster displays. Indeed, in 2005, street furniture surpassed large format as the highest net revenue earner in the industry (Chart 4.4).

CHART 4.4: OUTDOOR MEDIA NET REVENUE (\$M) BY FORMAT



Source: Outdoor Media Association Brochure, www.oma.org.au

In comparison to the USA, the Australian outdoor media industry is vastly different in terms of distribution channels. That is to say, 71% of the American industry is encompassed by large format advertising panels (64% of which are billboards) compared to just 4% in the Australian market. This is due, in part, to a different regulatory framework and different historical growth patterns in the US and Australian markets.

4.3 REGULATIONS AND INDUSTRY RISKS

Some local councils have campaigned for tougher regulations on out-of-home advertising in Australia in recent years. For example, the Melbourne City Council recently proposed to ban billboards from parts of the city.

Table 4.3 illustrates some of the recent actions, both positive and negative, taken by local councils and state governments with regard to outdoor media applications and initiatives. The information in the table summarises the 'state round-up' sections in OMA's newsletters (located on their website - <http://oma.org.au/newsletters/>) over the last year.

TABLE 4.3: COUNCIL AND GOVERNMENT ACTIVITY IN THE OUTDOOR MEDIA INDUSTRY

Date	New South Wales
July to December 2007	Proposed changes to the 'State Environmental Planning Policy' for advertising and signage. Changes focus on ensuring outdoor advertising benefits the community and mostly relate to advertising in major road and rail corridors.
May 2007	Goulburn Mulwaree Council accepted an application for three new advertising signs on the Federal and Hume Highways near Goulburn – previously rejected in November 2006.
March 2007	Goulburn Mulwaree Council adopted a Highway Sign Policy for regulating third party promotional advertising on highways and regional roads – a reaction to the three new advertising signs accepted in May 2007.
February 2007	Canada Bay Council produced a draft LEP that relaxes some of its previous restrictive policies on outdoor promotional signage – allowing advertising in major roads and gateways, and industrial areas where previously 'discouraged'.
December 2006	Botany Bay Council to appeal against a Land and Environment Court decision to allow commercial advertising to fund a new pedestrian bridge – purpose is to improve public safety. Appeal was rejected in May 2007
Victoria	
August 2007	State Government decision to allow an extension of existing large format (major promotional) signs from September 2007 to September 2008.
June 2007	Discussions commenced with Victorian Advertising Signs Advisory Committee about ways to improve outdoor signage regulation (not updated for 10 years). Issues include developments in street furniture and digital billboards, zoning inconsistencies, and areas where permit processes could be streamlined.
March 2007	Melbourne City Council application to amend the Melbourne Planning Scheme to prohibit outdoor advertising in some areas where it is currently a permissible land use.
September 2006	State Government to tender for new metropolitan bus/tram shelters as part of its 10-year transport strategy.
Queensland	
October 2007	Member issues with new or proposed council rules about outdoor advertising including new license fee structures and approval requirements for signs.
Q3 2007	Discussions between OMA and Brisbane City Council about the possible transfer of signage regulation from local law to a new planning scheme
Q2 and Q3 2007	OMA in negotiations with Queensland Police to pilot a crime-fighting initiative for free outdoor advertising space about missing persons and unsolved crimes.
December 2006	Finalisation of an 'Integrated Planning Act Implementation Note', establishing principals by which the state government will review local planning schemes.
South Australia	
August 2007	An outcome of the review of codes of practice in the gambling industry is that there are to be six new gambling messages introduced, which advertisers will be required to rotate through every six months.
Western Australia	
May 2007	Rejection of an appeal against City of Perth refusal to allow third party advertising on the back of Telstra telephone booths.

'Restrictive council actions' was identified as the primary risk to the industry by a number of survey respondents. Indeed, one survey respondent noted an opportunity for the OMA to use membership numbers to assist in group buying power for certain goods and services.

Other business risks and industry influences identified in survey responses include:

- ❑ Operational risks: staff retention rates (though this is a common theme in many industries, so is not specific to outdoor media, due to current low unemployment rates and skill shortages);
- ❑ Market risks: rival industry ascension (eg. internet advertising or alternate peak body membership), overall loss of confidence in the media;
- ❑ Business risks: negative media (eg. OMA pitched as a lobby group), member participation in marketing plans (eg. take-up of free advertising space);
- ❑ Economic risks: recession or economic downturn, slowdown in demand for advertising space; and
- ❑ Political risks: change of government, negative government policies (eg. advertising to children), content restrictions, anti-advertising movements, new council policies or planning schemes with more prohibitive rules.

5. DIRECT AND INDIRECT CONTRIBUTION

The outdoor media industry's direct and indirect contributions to the state and national economies can be estimated in terms of aggregate macroeconomic indicators such as Gross State Product (GSP), Gross Domestic Product (GDP), value added, investment and employment (Full-Time Equivalents).

5.1 GROSS PRODUCTION AND VALUE ADDED

The direct economic contribution (value added) to Australia of the outdoor media industry is calculated by summing the components of labour costs, gross operating surplus and indirect taxes less subsidies that are associated specifically and directly with activities undertaken by outdoor media suppliers in Australia. The addition of taxes on sales provides the direct contribution of the industry to national GDP. The data is obtained via the OMA Industry Survey.

Value-added is defined as total revenue *less* intermediate inputs – that is, inputs excluding primary resources such as labour and capital directly used by outdoor media suppliers. Primary resources can, in turn, be split into wages, gross operating surplus, and (in the case of value added at purchasers' prices) net indirect taxes *less* subsidies.

The national direct economic contribution is summarised in the table below.

TABLE 5.1: OUTDOOR MEDIA INDUSTRY ECONOMIC CONTRIBUTION

Financial year (or equivalent*)	2005	2006	2007	2008 (1)	2008 (2)
Revenue (total sales, excluding GST)	\$383.1	\$439.6	\$473.3	\$564.5	\$565.1
<i>less</i> other non-labour costs	\$227.9	\$262.6	\$286.3	\$330.7	\$334.3
Value Added (\$m)	\$155.3	\$176.9	\$187.0	\$233.8	\$230.8
GST (indirect tax) on input			\$7.8	\$9.4	\$9.4
Income, corporate, operational (direct taxes)	\$12.2	\$13.9	\$18.1	\$23.3	\$23.2
<i>National Real GDP (\$m)**</i>	\$896,567	\$922,690	\$953,798	\$1,000,676	\$1,000,676
Direct contribution to national GDP (%)	0.017%	0.019%	0.020%	0.023%	0.023%
<i>Employment (FTE)</i>	592	735	805	889	919
Direct value added per FTE (\$)	\$262,179	\$240,877	\$232,343	\$262,843	\$251,016

Source: Access Economics and OMA Industry Survey 2007

(1) Forecast Method 1 – based on aggregates. (2) Forecast Method 2 – based on company historical growth.

* Note: financial years differ somewhat between OMA members

** Source: Access Economics, *Financial Year Business Outlook*, September 2007

The direct value added per person for the outdoor media industry has graduated significantly higher over the past three years. This suggests that the industry has streamlined per unit labour costs (including wages) as a proportion of gross operating surplus. This may reflect the fast pace of growth in the industry and subsequent efficiency gains in terms of improved workforce skills and the relatively high unit value of outdoor media.

The overall contribution to national GDP is modest in percentage terms. However, it is reasonable to expect the current standing of the industry in terms of GDP contribution to increase in the near term due to the growing nature of the industry, as is reflected in the 2008 forecast results.

5.2 EMPLOYMENT

The outdoor media industry's economic contribution carries with it significant employment, both directly and indirectly. The outdoor media industry employs nearly a thousand workers nationally in a wide range of disciplines – from sales and marketing through to design and construction. A number of associated workers are employed through the outdoor media industry's use of intermediate suppliers (i.e. indirect employment); these individuals are not directly represented in the survey data.

The results for direct employment are measured in full-time equivalents (FTEs) so as to present the part-time employees in the outdoor media industry in a consistent and comparable employment unit of measurement.

**TABLE 5.2: DIRECT EMPLOYMENT IN OUTDOOR MEDIA BY STATE
AT 30 JUNE 2007**

State	Full-time	Part-time	Casual	Contract	All (headcount)	All (FTEs)
NSW	498	6	3	14	521	500
VIC	172	1	0	0	173	173
SA	16	1	1	1	19	17
QLD	119	10	5	12	146	122
WA	17	0	0	0	17	17
TAS	10	0	0	0	10	10
NT	0	0	0	0	0	0
All	832	18	9	27	886	838

Source: Access Economics and OMA Industry Survey 2007

Note: Employment in this table is at 30 June, while in Table 5.1 is average employment over the 2006-07 financial year, hence are slightly different.

The trend in FTEs over the five years of historical data is shown as a line item in Table 5.1. It shows that growth in employment moves roughly in line with growth in value added. The table above provides a breakdown of total FTE by type of employment, as at 30 June 2007. Total FTEs is only slightly below the overall headcount of employed individuals, showing a tendency of the industry to employ full time professionals (eg. marketing, finance and sales representatives). Including indirect employment would also see a higher proportion of contract and casual workers.

Consistent with the jurisdictional revenue and site breakdowns (see Section 4.2), the majority of workers are located in NSW, Victoria and Queensland head offices.

5.3 PRODUCTIVITY

Productivity growth entails changes in scale, efficiency gains and technological change. Innovations are needed to keep pushing the competitive envelope, and efficiency gains are needed to ensure that implemented technologies achieve their potential. The emerging outdoor media industry in Australia has already shown that it has the potential and ability to readily adopt technological and operational improvements.

TABLE 5.3: MEASURES OF PRODUCTIVITY AND EFFICIENCY IN OUTDOOR MEDIA

Measure	Outdoor Media Industry Results			Benchmark	Source
	2005	2006	2007	2007	
Contribution to national GDP (%)	0.02%	0.02%	0.02%		
Value added per FTE (\$)	\$262,179	\$240,877	\$232,343	\$105,000	Australia, ABS
Revenue per FTE (\$)	\$646,993	\$598,362	\$588,084		
Revenue per Site (\$)	\$5,156	\$5,373	\$6,075		
Sites per FTE (no.)	125	111	97		
Net Profit Margin (Net profit/Sales) (%)	16%	17%	12%	16.05%	USA, Reuters
Cost of Goods Sold (COGS) per \$1 Revenue (\$)	\$0.59	\$0.60	\$0.60	\$0.47	USA, Reuters
Inventory Turnover (COGS/Site)	\$3,067	\$3,210	\$3,675		

Source: Access Economics and OMA Industry Survey 2007

* Benchmarked against the printing and publishing industry

The summary table above provides an overview of the historical performance of the outdoor media industry in Australia benchmarked to the Australian and US printing and publishing industry for comparison. The low cost, high-return nature of the industry – that is, its ability to reach a large population with a single unit of output (eg. billboards, transit posters etc.) - implies returns per unit of input are highly effective (eg. high value added and revenue returns per FTE).

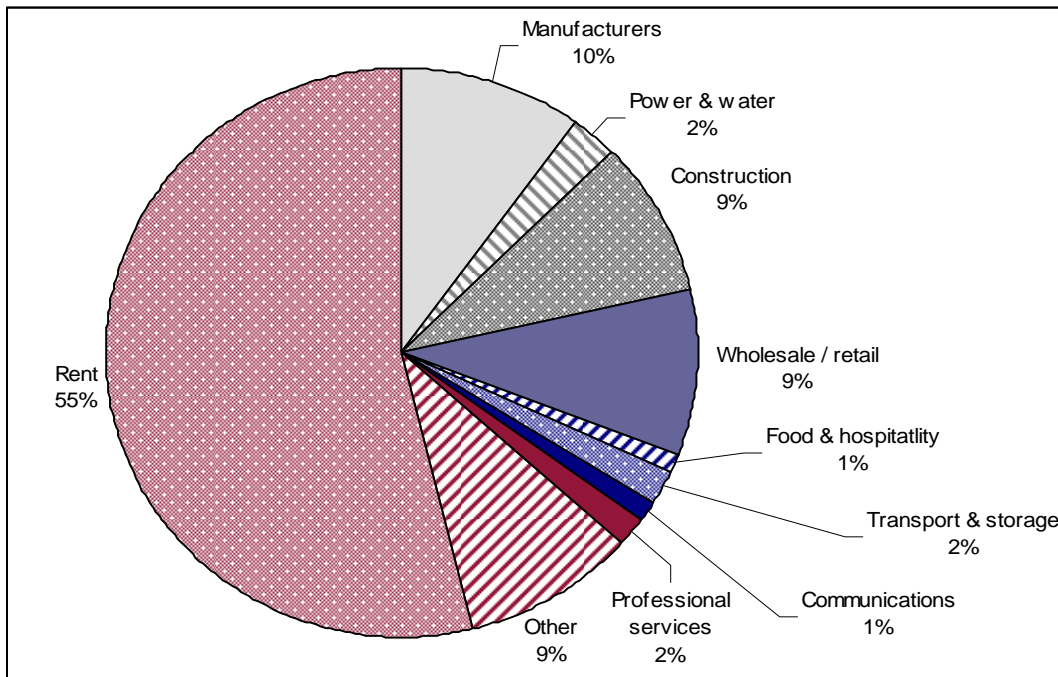
The low marginal cost base allows the industry, once established, to operate on attractive margins consistent with the US printing and publishing industry. Although the 2007 net profit margin is relatively lower compared to previous years (due primarily to new entrants who incur high upfront establishment costs), based on forecast growth rates the margin is expected to bounce back to 15% in 2008.

5.4 INDIRECT CONTRIBUTION

The outdoor media industry is a supporter of small business through its direct sub-contracting activities, and in the provision of cost-effective means for companies to promote local businesses and services. The purchase of Australian goods and services as inputs into outdoor media supply generates additional economic contributions in the industries that supply these products.

The bulk of the intermediate inputs are materials, manufacturers and construction, and business related services. These supplying industries generate further economic contributions through the inputs to them of products such as materials, banking and utilities. This process continues along the value chain of industries supplying inputs to other industries. The total of all these contributions constitutes the indirect economic contribution of the outdoor media industry.

For confidentiality reasons, not all members provided information on the breakdown of intermediate input costs, including some of the major players. The following chart displays the sector expenditure trends of non-labour costs for those organisations that did provide the data. Access Economics estimates that this represents approximately 60% of non-labour expenditure by OMA members.

CHART 5.1: NON-LABOUR EXPENDITURE TRENDS OF THE OUTDOOR MEDIA INDUSTRY

Source: Access Economics and OMA Industry Survey 2007

Chart 5.1 shows that rent makes up the majority of the intermediate inputs for outdoor media operations. Of the remaining expenditure, manufacturers (eg. steel or glass supplies for outdoor media infrastructure), construction companies (eg. building contractors, electricians and other labour required for site construction), and wholesale/retail outlets are the most common upstream industries required for outdoor media operations.

Allowing for the economic activity created in supplying industries, in 2006-07, the estimated total direct and indirect employment is 1,473 FTE and value added is \$266.1 million. These results should be interpreted with caution, as not all survey respondents could provide detail on their supplying industries. Note also that summing indirect contributions across all industries would sum to a greater quantity than total GDP, due the double counting of impacts inherent in indirect contributions.

6. PUBLIC BENEFITS

Outdoor advertising creates revenue for governments, property owners, lease holders and land owners which own the assets on which media is displayed. Increasingly, outdoor advertising is being used to fund and maintain community infrastructure such as bus/tram shelters, bins, park benches, kiosks and pedestrian road bridges. This frees up millions of dollars of public revenue for other uses, or alternatively, ensures that local governments do not have to finance these facilities from already-stretched existing sources of funds.

Community benefits

Outdoor media companies regularly support public interest campaigns and local community activities by donating free media space and assisting with print design and production. In addition, they directly fund essential community infrastructure, allowing public revenue to be made available for other purposes. Governments regularly use outdoor media to raise awareness of important issues such as national security, road safety, environmental protection and public health.

Sponsorships

Support for community campaigns is provided both by the Outdoor Media Association and individual operators. Major national community campaigns with which the industry has been involved include the Salvation Army, Land Care, the National Heart Appeal, Smith Family and MS Society.

Local campaigns supported by individual operators include Keep Australia Beautiful, arts festivals, Tidy Towns and Clean Beaches competitions. Outdoor media companies also provide support to their own local council and community groups.

Funding infrastructure

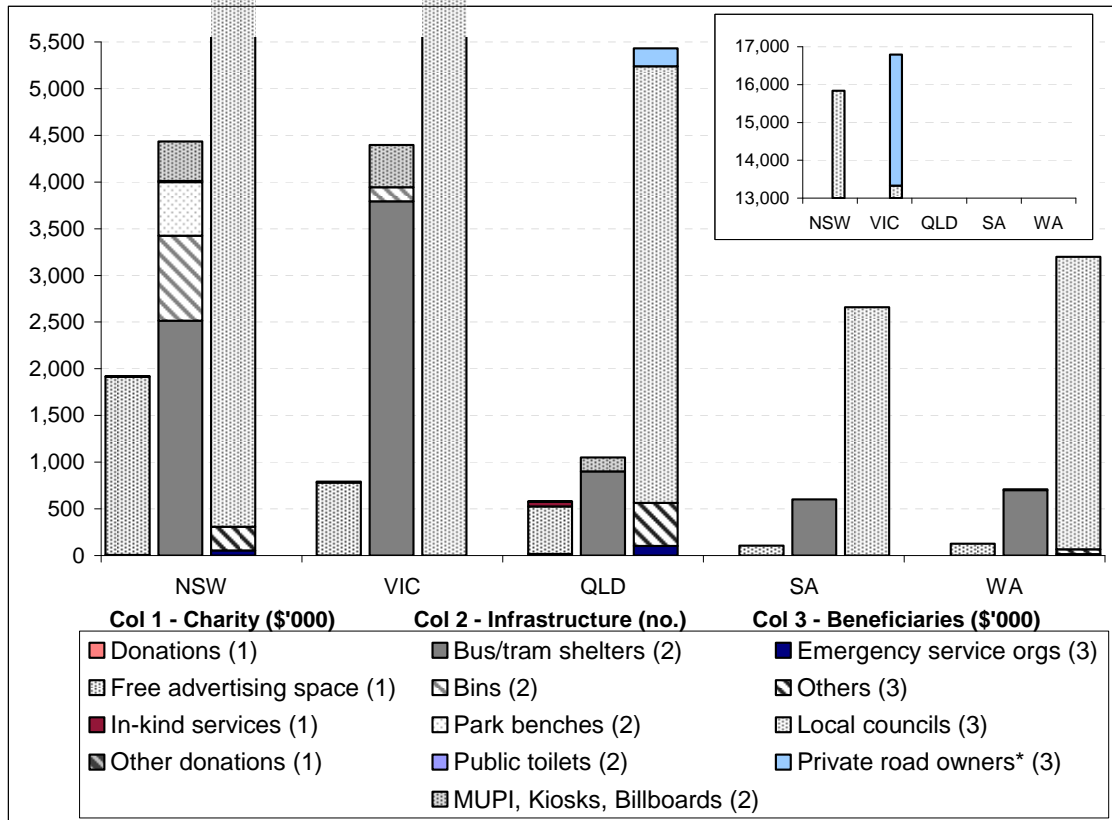
Outdoor advertising has become a common feature on community infrastructure such as bus/tram shelters, pedestrian road bridges, kiosks and phone booths. The revenue gained from commercial advertising directly funds the building and ongoing maintenance costs of these public facilities, including ensuring the prompt removal of graffiti and other repairs.

Outdoor media companies have invested significant resources into ensuring the quality of the structures provided via this funding model. In some cases, well-known Australian and international architects have been commissioned to design attractive yet practical street furniture.

In addition to off-setting construction and maintenance costs, many local councils and state government agencies receive direct revenue from outdoor advertising which can then be used to create other community benefits.

6.1 BENEFITS AND BENEFICIARIES

CHART 6.1: PUBLIC BENEFITS AND BENEFICIARIES OF THE OUTDOOR MEDIA INDUSTRY, 2006-07



Source: Access Economics and OMA Industry Survey 2007

Chart 6.1 details the myriad of ways the outdoor media industry contributed to communities throughout Australia in the year to 30 June 2007.

- Column 1 of the chart displays the breakdown in industry charity activity with free advertising space (worth \$4 million nationally) dominating overall community donations.
- Column 2 shows that the industry provides funds for a significant amount of public infrastructure; primarily made up of bus/tram shelters (8,508 nationally), rubbish bins (1,061) and park benches (575).
 - The industry also provides 29 pedestrian bridges nationally (not shown in Chart 6.1 as jurisdictional breakdown was not provided).
- Column 3 reveals local councils (\$38.6 million in NSW) and private road owners (\$3.5 million in Victoria) as the major beneficiaries of these gifts.

6.2 RELATED INDUSTRY EXPENDITURE

The construction and maintenance of public infrastructure donations comes at a significant cost to the outdoor media industry. In 2006-07, the industry paid out a \$12.6 million capital expenditure and \$77.4 million maintenance bill for public infrastructure provision (around a quarter of the industry's entire running costs).

Table 6.1 provides a breakdown of the total expenditure of the outdoor media industry on public infrastructure during the year to 30 June 2007.

TABLE 6.1: PUBLIC INFRASTRUCTURE EXPENDITURE, OUTDOOR MEDIA INDUSTRY, 2006-07

Expenditure during 2006-07 financial year (\$m)	NSW	VIC	SA	QLD	WA	Total
Operating Expenditure						
Bus/tram shelter maintenance	\$3.7	\$5.9	\$1.0	\$1.6	\$1.2	\$13.3
Other maintenance (eg. graffiti removal)	\$0.1	-	-	\$0.0	-	\$0.1
Payments to councils	\$6.8	\$3.7	\$0.0	\$1.0	-	\$11.5
Payments to road organisations	\$51.1	-	-	\$0.0	-	\$51.1
Payments to other government agencies	\$0.3	\$0.0	\$0.5	\$0.6	-	\$1.4
Total Opex	\$62.0	\$9.5	\$1.5	\$3.1	\$1.2	\$77.4
Capital expenditure						
Bus/tram shelter design and installation	\$4.6	\$5.6	-	\$0.5	\$0.5	\$11.2
Other infrastructure design and installation	\$0.6	-	-	\$0.7	\$0.1	\$1.3
Total Capex	\$5.2	\$5.6	-	\$1.2	\$0.6	\$12.6
Total public infrastructure expenditure	\$67.2	\$15.1	\$1.5	\$4.3	\$1.8	\$90.0

Source: Access Economics and OMA Industry Survey 2007

The total replacement value of public facilities (such as bus/tram shelters, park benches and the like) provided by the outdoor media industry was \$205 million at 30 June 2007, with a written down value of \$114 million.

6.3 ENVIRONMENTAL PROGRAMS

The outdoor media industry also plays an active role in improving environmental conditions (or reducing its environmental impact) in Australia.

The survey requested respondents to identify any environmental programs or initiatives that their organisation has in place. Although not all participants responded to this section of the survey, of those that did complete it, the main programs were;

- Landfill reduction: e.g. recycling skins or using biodegradable skins, recycling aluminium frames;
- Power consumption reduction: e.g. research surrounding solar power panels on bus/tram shelters, green-house friendly lighting for billboard and sign illumination, reducing the drive time of mobile billboards; and
- Other activities that were not directly related to reducing the impact of outdoor media sites: eg tree planting (carbon offsetting), recycling paper in their office, green gas emission reduction in company vehicles.

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APPENDIX 3

List of beneficiaries of \$12.38M of free advertising space in 2010

Name of recipient of advertising space
ACT for Kids (Abused Child Trust)
Alpha Autism Inc
Amnesty
Art Gallery of NSW
Assistance Dogs Australia
Australian Centre for Moving Images
Australian Conservation Foundation
Australian Festival of Chamber Music
Australian Museum
Australian Red Cross Blood Service
Australian String Quartet
Ballet Nacional de Cuba
Bangarra Dance Theatre
Beyond Blue
Bi-polar Awareness
Breast Cancer Awareness
Brisbane Festival
Brisbane Powerhouse
Camp Quality NQ
Can Too
Cancer Council Australia
Cancer Council Victoria
Canon – World Press Photo Exhibition
Care Australia
Catholic Mission
Channel 10 Perth
Chicago Gourmet
Chunky Moves
City of Sydney
Clean Up Australia
Cure Our Kids
Daffodil Day
Edinburgh Military Tattoo
FIFA
Fourgreenwalls
Fred Hollows Foundation
Fresh Water Music Festival
Gladstone Area Promotion and Development Ltd
Gold Week
Good Vibrations
Guide Dogs Australia
Guide Dogs Victoria
Headspace National Youth Mental Health Foundation
Heart Foundation

Heide Museum of Modern Art
Humpty Dumpty Foundation
Interchange Victoria
Jeans For Genes Day
Just4Kids Trail Ride
Keep Australia Beautiful
Kmart/The Salvation Army – Wishing Tree Appeal
Landcare Australia
Leichhardt Council
Leukaemia Foundation
Lifestart
Local Councils across Australia
Make-A-Wish Australia
Mardi Gras
Mater Foundation
Mater Hospital
MayDay
Melbourne International Comedy Festival
Melbourne International Film Festival
Melbourne Symphony Orchestra
Millennium Foundation
Mission Australia
Monash Council
Moorook Animal Shelter
Moreland Council
MS Society
Murdoch Children’s Institute
Museum of Contemporary Art
National Breast Cancer Foundation
National Gallery of Australia
National Gallery of Victoria
NSW Police Missing Persons
NSW Roads and Traffic Authority
NSW State Emergency Services
Oasis Youth Support Network
One Water
Ovarian Cancer Research Foundation
Powerhouse Museum
Princess Margaret Hospital Foundation
Prostate Cancer Foundation of Australia
Project Kaisei
Queensland Motorways
Queensland Multicultural Festival
Queensland Rail
Queer Screen
Randwick City Council
Reach Foundation
Red Kite
Reef HQ
ROMP

Ronald McDonald House Charities
Rotary Australia
RPA – Fame
RSPCA Queensland
Salvation Army
Scope
Sids and Kids Red Nose Day
Sisters of Charity
Soul Gestures
St John Ambulance
Starlight Foundation
State Theatre Company
State Transit – Sydney Buses
Stonnington Council
Streetworx
Sydney Children’s Hospital
Sydney Dance Company
Sydney Festival
Sydney Film Festival
Sydney Harbour Foreshore Authority
Sydney Opera House – Vivid LIVE
Telethon
The Big Issue
The Centre for Cerebral Palsy
The PR Company
The Rotary Club of Armadale
The St Vincent de Paul Society
The Summer Foundation
Tour de Cure
Translink
Unicef
UQCCR
YWCA
World Wildlife Fund

20 January 2011

**THE BIG
ISSUE**

Head Office
148 Lonsdale Street
GPO BOX 4911
Melbourne VIC 3001
Phone (03) 9663 4533
Fax (03) 9663 4252
bigissue@bigissue.org.au
www.thebigissue.org.au

To whom it may concern,

The Big Issue Australia is an independent organisation that develops and operates social enterprises and creative, sustainable solutions for homeless, marginalised and disadvantaged people to positively change their lives. The people who participate in our programs come from a range of backgrounds including mental illness, homelessness, long-term unemployment, intellectual and physical disability, drug and alcohol dependency, family breakdown and others suffering from social isolation, such as refugees.

We use different mechanisms to connect people with the community, including The Big Issue Street Magazine Enterprise. This is a fortnightly current affairs magazine sold on the street by authorised vendors. The magazine sells for \$5 and the vendor keeps half of that. The Big Issue is estimated to save society \$20,000 per vendor, per year. Across 350 vendors this amounts to a saving of over \$7 million per year.

The Outdoor Media Association has been a supporter of The Big Issue since 2008, providing \$3.5 million in media, printing and installation. This support has been crucial in enabling us to get out into the environment where our readers and potential readers are, and to tell our story. People now understand what we are trying to do – and are now overwhelmingly supportive.

The successful advertising campaigns have increased sales, even leading to sold-out print runs. This has led to greater vendor self esteem as they work harder, build better relationships with their customers and earn more money. Ultimately, this leads to greater social inclusion.

We could not have achieved this sort of success without the support of the Outdoor Media Association and its members over the past few years.

The Outdoor Media Association is a valued partner of The Big Issue and their continued support has greatly enhanced our profile nationally, assisting us in building greater community support for The Big Issue and our vendors.

Regards



Steven Persson
CEO, The Big Issue

The Big Issue Australia is an independent organisation that provides opportunities for homeless and marginalised people to positively change their lives.
Helping people help themselves.



The Fred Hollows
Foundation

ACN 670 556 842

Level 2, 61 Dunning Avenue
Rosebery NSW 2018

Locked Bag 5021
Alexandria NSW 2015
Australia

Tel +61 2 8741 1900
Fax +61 2 8741 1999

Donation Line
1800 352 352

Email fhf@hollows.org
Website www.hollows.org.au

Steve O'Connor

Chief Executive Officer

JCDecaux Australia
Suite 4, Level 12 189 Kent Street

Sydney NSW 2000

Dear Steve,

Since 2006 JCDecaux has been the major media partner of The Fred Hollows Foundation.

Through this partnership JCDecaux has provided The Foundation with outdoor advertising valued at over \$4Million in Sydney, Brisbane and Melbourne free of charge. The posters used feature the late Professor Fred Hollows with a young Vietnamese patient, Tran Van Giap. They are The Foundation's principal method of raising awareness about our work and attracting donors.

As a not for profit organization this type of exposure and advertising support would simply be impossible for us to purchase.

As a result of the support of JCDecaux since 2006, The Foundation has tripled its income and therefore its expenditure on sight restoring surgery in the developing world and amongst Indigenous Australians. That has meant the Foundation was responsible for 195,406 eye operations in 2009 – up from just 55,000 in 2006 when our partnership first commenced. Through the work and generosity of JCDecaux hundreds of thousands of people can now see again.

The Foundation is proud of its association with JCDecaux and pleased to vouch for both the effectiveness of its work, and its corporate social responsibility.

Gabi Hollows

January 19, 2011



APNO & Mission Australia Partnership – focused on ending homelessness

Mission Australia is a national community services organisation that has been transforming the lives of Australians in need for more than 150 years. Today the organisation's 3,200 employees and 1,000 volunteers provide more than 550 community and employment services that help over 300,000 Australians a year.

By learning from others and sharing what works well, Mission Australia is able to deliver positive outcomes for individuals, families and communities. The aim is to stop problems before they start, provide support to prevent situations from getting worse and form partnerships to find long-term solutions to community issues.

Through services across the nation, Mission Australia strengthens families, empowers youth, provides employment solutions and strives to solve homelessness. Ending homelessness in Australia is the focus of Mission Australia's partnership with APNO. Central to this partnership is the shared belief that all Australians should be able to live in a safe, secure and affordable home.

Both organisations recognise that people become homeless due to a range of issues including mental illness, drug and alcohol abuse, personal tragedy and unemployment. These are issues that can affect any one of us unexpectedly and leave us in need of assistance.

The partnership aligns strongly with APNO's "think outside" brand strategy and the outstanding work Mission Australia does to support homeless Australians.

As part of this the three-year partnership, which commenced in 2010, APNO is providing up to \$1 million dollars of free advertising space to Mission Australia each year. Over the past few months alone over \$50,000 in free advertising (the creative is focused on homelessness) has been utilised by Mission Australia in high-profile supersites in metro Sydney, Brisbane, Adelaide and at Canberra Airport.

This advertising integrates with and supports other Mission Australia media coverage, including magazines, publicity, television, radio, direct marketing, digital and social channels. It enables the community services organisation to effectively leverage all media activities and achieve greater reach and frequency than otherwise would be possible.

The APNO and Mission Australia partnership is an impressive strategic, national and multi-level alliance. In addition to the core provision of no-cost media space, the relationship spans APNO staff volunteering at Mission Australia homelessness services and taking part in staff fundraising initiatives such as the APNO Christmas Appeal. The relationship also enhances Brand Building, Media and PR initiatives and enables both partners to develop their respective sustainability strategies and market position.

Visits to Mission Australia homelessness services and guest presentations to APNO staff are also key aspects of this partnership.

Another innovative aspect of APN Outdoor's 'Think Sustainability' campaign is the potential for Mission Australia to recycle APNO's advertising skins for re-use at the organisation's income-generating social enterprises. These opportunities are currently being reviewed by Mission Australia.

Thursday 20 January 2010

To whom it may concern,

Re: Ooh! Media pro bono support makes significant difference to charity awareness and fundraising

Murdoch Childrens Research Institute is the largest and most prestigious child health research organisation in Australia. We are focussed on research to keep children alive, as well as research to ensure a good quality of life for kids as they grow up.

Research priorities include conditions such as diabetes, allergies, asthma, premature birth and mental health problems which are on the rise in children, and conditions such as cancer and genetic disorders that remain unsolved.

Murdoch Childrens is committed to maintaining its low cost of fundraising and marketing (currently 1 per cent of total budget). As such, we depend on the generosity of media companies such as Ooh! Media in providing pro bono advertising space, to help us increase our national awareness and to engage new donors.

Over the past three years, Ooh! Media has generously provided \$700,000 worth of pro bono outdoor space, including shopalites (digital and print), supersite billboards and mobile truck billboards for the Institute's brand awareness campaign. See creative attached. The exposure has resulted in the following (national survey of young mothers):

- 55 per cent increase in prompted awareness (as a children's charity)
- 200 per cent increase in interest in supporting our child health research
- 20 per cent recall (deemed very high for a print campaign)

A flow on effect from the awareness campaign has been significant growth in fundraising income. Despite the global economic crisis, the Institute achieved record fundraising results in 2008, 2009 and 2010.

Without this growth, we would not have been able to continue to fund our priority research into conditions such as diabetes, allergies, asthma, premature birth, mental health problems, cancer and genetic disorders. As governments and other grant making bodies tend to support established research, donations are vital in providing the seed funding we need to bring bold, daring and innovative research ideas to life.

We have sincerely appreciated the generous contributions made by Ooh! Media - the outdoor campaign has provided real and tangible benefits to Murdoch Childrens Research Institute, and our life saving child research.

If you would like further information, please contact me on 03 8341 6362.

Kind regards,



Alyssa Jones
Head of PR & Development



Starlight
Children's
Foundation
Australia

19 January 2011

TESTIMONIAL FOR EYECORP

Starlight serves the community by brightening the lives of seriously ill and hospitalised children, and their families, throughout Australia. Starlight programs are delivered both in and out of hospital, providing positive distraction to children in their time of need.

Living with illness or injury can cause enormous strain in the lives of children and their families. The pain, loneliness and isolation that sick children feel dominates their lives, and they often miss out on normal experiences that healthy children take for granted.

Physical recovery is only part of the solution. Starlight delivers innovative programs designed to make children happy and lift their spirits when they need it most. Starlight brings fun and laughter to children no matter what their illness or where they live.

Eyecorp generously donated outdoor advertising to the value of \$85,000 to help raise awareness of Starlight and its programs from September to October 2010.

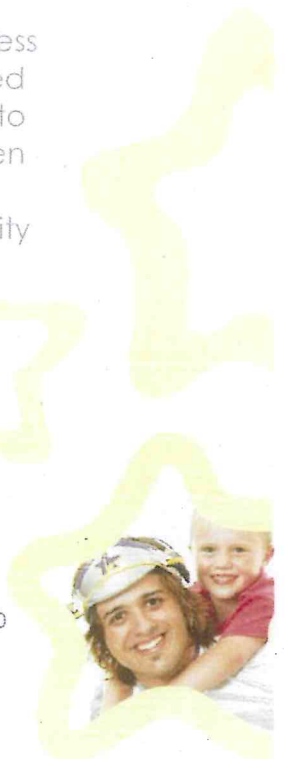
This media donation was significant for Starlight to build awareness and drive donations for its programs. The high profile sites sourced by Eyecorp ensured that a wide target audience was reached to assist in driving on-line donations. This reach would not have been able to be achieved through other media and was a subtle reinforcement of Starlight's need. It assisted to support community volunteering and fundraising initiatives during the time as the placements were a positive reinforcement to those actively involved.

Lynette Klein
Head of Marketing

3RD FLOOR | 80 CHANDOS STREET | NAREMBURN, NSW 2065 | PO BOX 101, ST LEONARDS NSW 1590
PHONE 02 9437 4311 OR 1300 72 STAR | FAX 02 9437 4634 | www.starlight.org.au

PATRONS/THE HONOURABLE SIR WILLIAM DEAN/MR JOHN NEWCOMBE AD OBE

ABN 003 627 183 ABN 80 931 522 157





CARE Australia
1/463 Church Street
PO Box 308
Richmond VIC 3121
tel 03 9421 5572
fax 03 9421 5593
info@careaustralia.org.au
www.care.org.au
ABN 46 003 380 890

19 January 2011

Re: Testimonial for Eye

CARE is an international humanitarian aid organisation fighting global poverty, with a special focus on working with women and girls to bring lasting change to their communities. As a non-religious and non-political organisation, CARE works with communities to help overcome poverty by supporting development and providing emergency relief where it is needed most, regardless of race, religion or ethnicity. We know that supporting women and girls is one of the most effective ways to create sustainable outcomes.

Between February and August 2010, CARE Australia was fortunate to receive generous support from Eye for roadside billboard advertising across Victoria, New South Wales, Queensland, South Australia and Western Australia, to the value of over \$330,000.

As a not-for-profit organisation, Eye's donation of outdoor advertising space allowed CARE to access competitive markets and large audiences across Australia. Billboards were placed in high traffic areas, including near several airports and alongside main roads and highways in major cities. These placements allowed us to gain maximum reach including new audiences that we would otherwise not have had the capacity to reach, through periods of sustained exposure. We recorded a steady increase in website traffic following the placement of the billboards – which was the key call to action in the advertisements.

The opportunity to use such a visual and high-impact medium was fantastic for our organisation and brand, as it allowed us to use some of our powerful images of the women and girls we work with overseas as a compelling representation of the vital nature of our work overcoming poverty in developing countries.

We are very thankful to Eye for their donation and the enormous contribution that it has made to raising awareness about our work with some of the poorest communities in the world.

Andrew Buchanan
Principal Executive, Marketing and Communications
CARE Australia

I am powerful

SHE HAS the POWER to change her world YOU HAVE the POWER to help her do it



To whom it may concern

Re: Support from Ooh! Media making a significant difference to The Reach Foundation and to young people in Australia

Reach believes that every young person should have the support and self-belief they need to fulfil their potential and dare to dream.

Established in 1994, Reach has had a positive impact in the lives of over half a million young Australians for nearly two decades. The inspiring team of young Reach Crew run programs that encourage all young people, no matter what their circumstances, to believe they can achieve.

Reach programs include a variety of school and community-based workshops, weekends away and large scale events that promote the mental health and wellbeing of young people, by supporting them to build skills including resilience and emotional awareness. It has been shown that by developing these skills in adolescence serious problems faced later in life, including depression, substance abuse, homelessness and suicide, can be reduced.

Independent research shows that Reach helps young people improve self-esteem and gain a greater sense of control over their lives.

Reach relies predominantly on the support and generosity of the public to fund its activities. Its events are an important part of these activities and for these to be successful, we need the generosity of media companies such as Ooh! Media who have donated advertising space that has been auctioned at our Annual Ball for the last five years.

The Ooh! Media package is the single largest auction item and has a market value of more than \$60,000. This has contributed very significantly to the overall fundraising efforts each year. Ooh! Media has always supported Reach and been unwavering in its commitment, despite the recent global financial crisis which had a negative impact in funds available for charities.

We have sincerely appreciated the ongoing and generous contributions made by Ooh! Media to The Reach Foundation. The lives of young Australians are being positively impacted through their support.

If you would like further information, please contact me on 03 9412 0911.

Kind regards,

Gordon Lefevre
Chief Executive Officer





NATIONAL
BREAST CANCER FOUNDATION
FUNDING RESEARCH FOR PREVENTION AND CURE

"We were absolutely thrilled to receive the Adshel charity offering in 2010. As a not for profit organisation not only did it provide opportunities to advertise our Fashion Targets Breast Cancer campaign, but it also opened up a whole new market to us.

A huge thank you to the team at Adshel for giving us this fantastic opportunity – We really appreciate your support"

National Breast Cancer Foundation

ABN 37 144 841 707

Level 9 50 Pitt Street Sydney NSW 2000

GPO Box 4126 Sydney NSW 2001

T 61 2 8098 4800

F 61 2 8098 4801

E info@nbcf.org.au

W www.nbcf.org.au

Monday, 17 January 2011

RE: OMA submissions for parliamentary inquiries into outdoor advertising

To whom it concerns;

JCDecaux has been an avid supporter of the Museum of Contemporary Art (MCA) Sydney, sponsoring the Museum's exhibition programs for over 8 years through its outdoor media advertising.

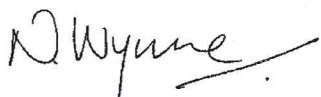
The MCA is Australia's only museum dedicated to exhibiting, interpreting and collecting contemporary art from across Australia and around the world. In 2010 the MCA is proud to have achieved an annual visitation of 580,000 people, achieving 5% growth on the year prior. It is with the very generous support of sponsors like JCDecaux that we are able to meet and exceed such impressive targets year on year.

As a non-government and non-profit visual arts organisation, the MCA operates with a tremendously modest budget and yet consistently achieves impressive visitation targets across a range of exhibitions and public programs. We believe that this is in part due to the \$145,000 worth of outdoor media advertising sponsorship from JCDecaux. It would be cost-prohibitive for the MCA to achieve similar levels of exposure if it were to pay market rates for the same level of advertising and it would undoubtedly result in reduced awareness.

JCDecaux has a strong reputation for supporting the arts in Australia and encourages a high standard of creative and visually inspiring advertising. By working with the Museum, JCDecaux offers support and exposure to the many young and emerging artists whose work is featured and in turn, provides beautiful and inspiring imagery for the community to engage with.

It is a pleasure to work with an organisation that values artistic creativity and arts to the overall community.

With best wishes,



David Wynne

Head of Marketing and Development
Museum of Contemporary Art Sydney

13 CRAIGEND STREET
KINGS CROSS NSW 2011
AUSTRALIA
T +61 2 9332 1052
F +61 2 9331 1524
INFO@GRIFFINTHEATRE.COM.AU
GRIFFINTHEATRE.COM.AU

GTC
RHO
IFAP
IRN
NEY

18 January 2011

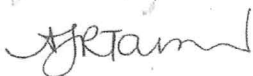
To Whom It May Concern

JC Decaux's support of Griffin Theatre Company has been a huge asset to this small organization. With a recent rebranding of the company's visual identity from another sponsor, the JC Decaux posters gave us the perfect way to present our new look to the public.

Without JC Decaux's support Griffin would never have been able to gain such broad contact with the public having an extremely limited marketing budget, so JC Decaux has been a key selling tool for us!

On behalf of everyone at Griffin, with thank JC Decaux for their generous support of our organization and their assistance in marketing our much-loved theatre.

Sincerely,



Allie Townsend
Development Manager



10 January 2011

To whom it may concern

Testimonial from the Australian Museum

The Australian Museum is a dynamic institution enjoying an outstanding international reputation as a leader in science research, natural history and indigenous cultures, drawing visitors from around the world. It's Australia's first museum with one of the most remarkable and extensive collections of natural and cultural specimens in the country, gathered over more than 180 years.

It's also a global museum, using new technology to reach and excite people about the environment, heritage and culture of Australia and the wider Pacific region. Our stimulating permanent, temporary and touring exhibition program helps to inspire the exploration and appreciation of nature and cultures. Exhibitions are based on extensive audience research and cover diverse topics, while simultaneously entertaining and educating mass audiences. Most exhibitions are accompanied by an integrated series of educational programs, tours, special events, holiday activities, seminars and publications.

Our relationship with JCDecaux is one of long standing and is greatly valued by the Museum. In the last financial year we received nearly \$600,000-worth of outdoor advertising to promote our temporary and permanent exhibitions.

Without this contribution from JCDecaux, we would simply not have a presence in the outdoor area – vital in promoting our offering to potential visitors - as our marketing budgets are reducing each year. JCDecaux works with the Museum's team to ensure that we have a highly visible and timely presence in a very important market and we are very grateful for this significant and ongoing support.

Kind regards

Rosemary Swift

Development Manager

+61 2 9320 6208

Rosemary.Swift@austmus.gov.au

nature culture discover

19 January 2011

JCDecaux Australia
Suite 4, Level 12
189 Kent Street
Sydney NSW 2000

To Whom It May Concern,

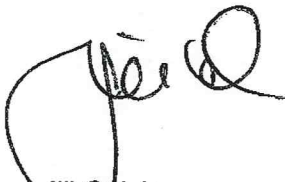
Re: the OMA JCDecaux & Sydney Festival Partnership Testimonial

Since 2002, JCDecaux has been committed to helping Sydney Festival promote our program and reach our Sydney city audience each summer.

While we are Australia's largest annual cultural celebration, we are also a not-for-profit organisation and rely heavily on the generosity of our corporate sponsors.

Our partnership with JCDecaux is of immense value and is essential to the success of our marketing and communications plan. By offering us discounted rates on our outdoor advertising, we are able to maximise our advertising reach. Our JCDecaux Citylight campaigns not only provide a great medium to push our events but also offer city centre visibility for the Sydney Festival brand.

The coverage the discounted Citylight campaigns afford us would not be possible without JCDecaux's significant and on-going support.



Jill Colvin
Head of Marketing, Communications & Digital Strategy

sydney festival



10 January 2011

To Whom It May Concern:

The Art Gallery of New South Wales have been partners with JCDecaux for the past 16 years.

JCDecaux have generously provided ongoing sponsorship of Citylight posters to promote exhibitions at the gallery.

The gallery has observed a significant increase in visitor numbers whenever Citylight posters have been up. This can be shown in detail in the attached presentation.

In addition, the gallery sees Citylights as a wonderful opportunity to display images of art across the city adding to the accessibility of fine art to the population at large in a dramatic, engaging and aesthetically pleasing medium.

If the JCDecaux support for the gallery were to end we believe the gallery would notice a decline in audience numbers and a diminished public presence of art across the city.

In return for this support, JCDecaux receive corporate hospitality, invitations to events and openings and acknowledgment as a Partner of the Gallery.

A handwritten signature in blue ink, appearing to read "Leith Brooke", with a long horizontal flourish extending to the right.

Leith Brooke

Head of Business Development

biennale of sydney

19 January 2011

To Whom It May Concern

BIENNALE OF SYDNEY || TESTIMONIAL FOR JCDECAUX AUSTRALIA

About the Biennale of Sydney

The Biennale of Sydney plays a central role in developing visual arts culture in Australia and connecting artists from around the world. Held every two years, the Biennale of Sydney stages a three-month exhibition, plus a program of artist talks, performances, forums, film screenings, family events, guided tours and other special events, all FREE to the public.

As Australia's largest and most exciting contemporary visual arts event – with over half a million visits in 2010 – the 18th Biennale of Sydney (2012) will celebrate the organisation's 39th anniversary. Alongside the Venice and São Paulo biennales and documenta, it is one of the longest running exhibitions of its kind and was the first biennale to be established in the Asia-Pacific region. Since its inception in 1973, the Biennale of Sydney has provided an international platform for innovative and challenging contemporary art, showcasing the work of more than 1500 artists from over 83 countries.

The 18th Biennale of Sydney will be presented from 27 June – 16 September 2012.
For further information, please visit www.biennaleofsydney.com.au

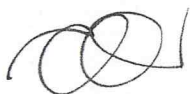
Sponsorship with JCDecaux Australia

JCDecaux has been a Major Partner of the Biennale of Sydney since 2006, continually supporting the Biennale's outdoor advertising campaign. In 2010, the Biennale received approximately four weeks of contra advertising space on the Citylights product around Sydney CBD. There were a total of 510 Citylight sites posted over the four weeks, at an approximate value of \$250,000.

The presence of the JCDecaux Citylights around key areas of the city greatly assisted with the Biennale's outdoor advertising campaign. It increased the presence of the 17th Biennale of Sydney visual identity, supporting other outdoor medium such as City Banners and venue signage. The JCDecaux Citylights were a key element in the marketing campaign, lending to the sense of excitement and buzz around the opening period, and allowing the Biennale to create a larger awareness of the event with the general public in Sydney. Without JCDecaux's donation, the Biennale would not have been able to purchase this advertising space and in turn, maximise its outdoor marketing campaign.

JCDecaux Australia is a valued corporate partner of the Biennale, and their continued support greatly enhances the Biennale's marketing presence in the Sydney CBD.

Regards,



William Cottam
Head of Finance and Administration

The National Gallery of Australia is one of the countries premiere visual arts organisations housing the national collection and presenting world class exhibitions. We were thrilled to partner with JCDecaux on our blockbuster exhibition, Masterpieces from Paris: van Gogh, Gauguin, Cezanne and beyond (on show 5 December 2009 to 18 April 2010).

Over 476 000 people visited the exhibition which is the highest visitation for any exhibition in Australian history. The support of JCDecaux with a major campaign in Sydney, Melbourne and Brisbane was crucial to creating visibility in these key markets. 80% of visitors to the exhibition were from interstate and we have no doubt that the prime out door placement of JCDecaux posters helped us to achieve this incredible outcome.

Shanthini Naidoo, Assistant Director National Gallery of Australia

18 January 2011

To whom it may concern

Re: JCDecaux Australia's support of the Powerhouse Museum

The Powerhouse Museum, part of the Museum of Applied Arts and Sciences, presents exhibitions and programs based on the ideas and technologies that have changed our world, and the stories of the people who inspire and create them. Our purpose is to enable visitors to discover and be inspired by human ingenuity.

The Museum is located in Darling Harbour, Sydney. Its diverse collection, built up over more than 125 years, spans history, science, technology, design, industry, decorative arts, music, transport and space exploration. In addition to its world-class collection and ever-changing exhibition schedule, the Museum has an extensive range of education services, operates a members organisation and a volunteer program.

JCDecaux Australia has been a valued supporter of the Powerhouse Museum since 2005. In 2010 JCDecaux supported the Museum via the donation of media space valued at approximately \$288,000. This media space was used to great benefit as part of the Museum's marketing strategy for the exhibition *Frock stars: inside Australian Fashion Week* and the annual *Sydney Design* festival. The donated media space from JCDecaux enables the Museum to utilise a medium and access markets that it would not normally be able to afford within our operating budget.

Should you require further information please do not hesitate to contact me on telephone 02 9217 0393 or via email laurieb@phm.gov.au

Yours sincerely



Laurie-Anne Bentley
Corporate Development Manager

**WHERE
IMAGIN
ATION
TAKES
YOU.SY
SYDNEY
OPERA
HOUSE.**

18th January 2011

TESTIMONIAL

To whom it may concern,

Not only is Sydney Opera House the country's national emblem, we are also one of the world's busiest performing arts centres. Our sponsorship with JCDecaux enables us to promote our many performances via their premium outdoor media. We see an immediate response in sales as soon as our campaigns are on field and it is because of these campaigns that many of our shows sell out. Our sponsorship is integral to accessing new and existing audience sectors, showcasing our work and reaching revenue goals; whilst ensuring that the public are able to experience some of the most exciting and contemporary performances available in Australia.

Kind regards,



Victoria Doidge
Director, Marketing Communications and Customer Services
Sydney Opera House

Make-A-Wish® Australia
A.B.N. 97 006 497 632
NSW/ACT State Office
Level 21, Darling Park
Tower 2
201 Sussex Street
Sydney NSW 2000
Tel: 02 9006 1252
Fax: 02 9006 1260
www.makeawish.org.au



Dear Sir/Madam

Make-A-Wish® Australia has been working with Adshel for just over a year now. Our organisation was lucky enough to be successful in gaining pro-bono space through their charity allocation program. This is such an important part of our marketing given Make-A-Wish has no budget for this type of activity, and means we can spend more funds directly on our Wish Kids. Working with Elvira, Joana and Katie has been a pleasure, and we hope to continue our relationship into the future.

Yours Sincerely,

A handwritten signature in cursive script that reads "A. Jackson".

Anthea Jackson
State Manager NSW/ACT

We grant Wishes to children with life-threatening medical conditions to enrich the human experience with hope, strength and joy



Thursday 20 January 2011

Ooh! Media
Level 6 Walker Street
North Sydney NSW 2060

To Whom It May Concern,

The Tour de Cure has become Australia's leading cycling foundation raising much needed awareness, funds and support in the area of cancer for men women and children. With the help of media partners like Ooh! Media the Tour de Cure has gone from being an idea created over coffee between two mates in 2007 to being Australia's leading cycling foundation raising \$4 million dollars in cash contributions plus many millions of dollars of publicity and awareness around the cure for cancer. Ooh! Media has been a solid ambassador for the Tour de Cure for many years.

In 2010 Ooh! Media provided not only billboards on our cycling route from Sydney to the Sunshine Coast, but also contributed by providing an enormous eighteen wheel semi trailer which carried the livery of both Ooh! Media, one of our corporate partners, and the Tour de Cure. This semi trailer became our media hub for promotional activity, publicity, our paramedics support and logistics. This was an invaluable resource provided at no charge for the Tour de Cure. Ooh! Media were a significant contributor in innovation, logistics and resource above and beyond the enormous media exposure we gained from the billboards and the mobile signage on the vehicle.

One of the corporate executives from Ooh! Media, Justin Worthington also rode the 2010 Tour de Cure with us. Justin was as solid as a rock in the pack and acted as a wonderful catalyst between the Tour and the media, allowing Brendan and the Ooh! Media team to truly adopt the Tour by having one of their own in our peloton.

The Tour de Cure sees Ooh! Media being a true corporate partner that truly embodies the values of the Tour de Cure around trust, doers and collaboration and whole heartedly share in the mission of finding a cure to cancer. We are privileged to have a partner like Ooh! Media to not only talks the talk, but walks the walk.

Regards,

Gary Bertwistle

Unlock your great ideas

ART
GALLERY
NSW



THE IMPACT OF CITYLIGHTS

ON EXHIBITIONS AT THE ART GALLERY OF NEW SOUTH WALES

JCDecaux

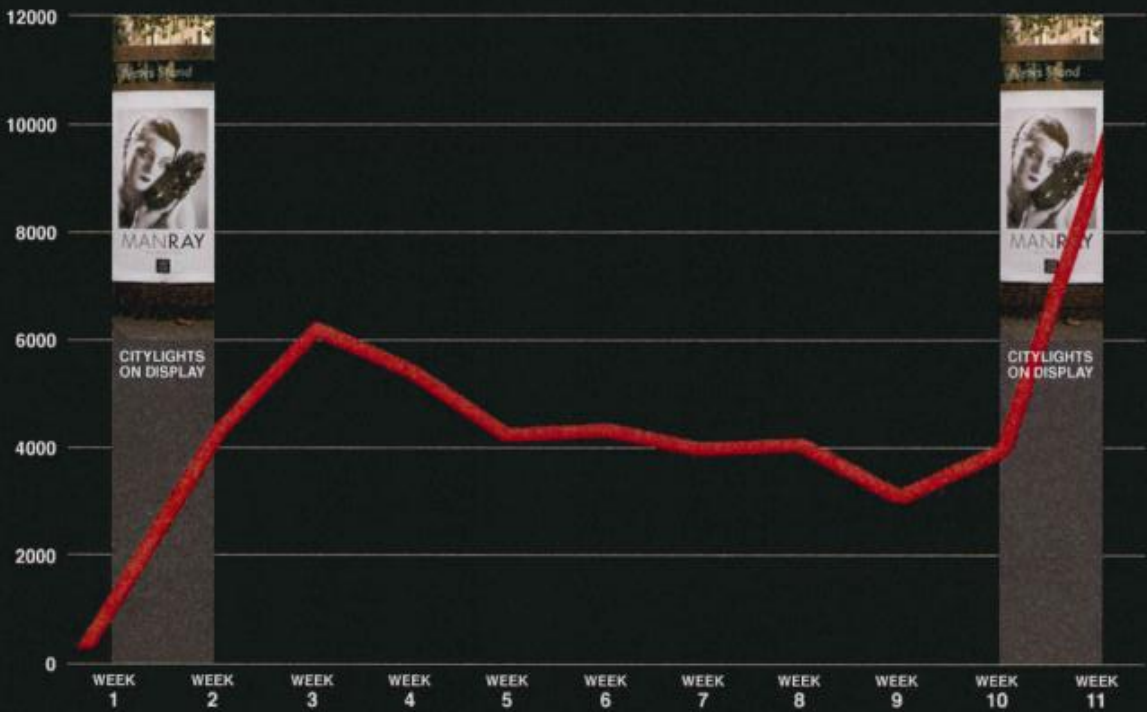


JCDecaux

The following graphs show the dramatic impact that Citylights have on exhibition attendances at the Art Gallery of New South Wales.

WHEN CITYLIGHTS GO UP
SO DO ATTENDANCES!

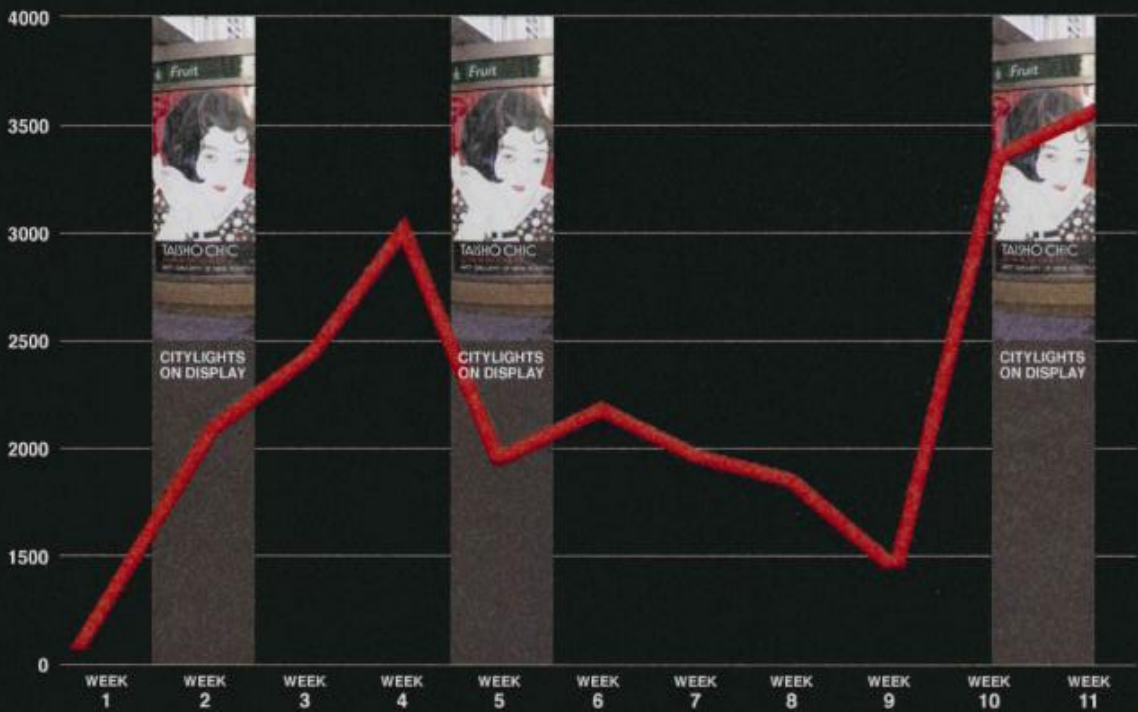
MAN RAY EXHIBITION WEEKLY ATTENDANCE FIGURES



BILL HENSON EXHIBITION WEEKLY ATTENDANCE FIGURES



TAISHO CHIC EXHIBITION WEEKLY ATTENDANCE FIGURES





ABN 59 004 233 489

Outdoor Media Association's Code of Ethics

Outdoor advertising is a medium that reaches almost every member of the community when they are travelling outside of their home. Outdoor advertising can be seen at any time of the day or night and cannot be turned off, fast-forwarded, put aside or be left unopened. This is why it is important for the industry to have its own *Code of Ethics* to ensure that it operates its business responsibly in the environment.

The Outdoor Media Association (OMA) has therefore developed a *Code of Ethics* which all members must adhere to. The *Code of Ethics* is a set of voluntary principles that defines the industry's standards for doing business with advertisers and regulators, and its responsibilities towards the community and the environment. They supplement the obligations that members already are required to comply with under existing law, including federal and state law, and are outlined below:

Principles for doing business with advertisers:

1. We are committed to providing the best possible outdoor advertising sites for our advertisers that are also value-for-money.
2. We are committed to maintaining and improving the quality and appearance of site structures and locations to enhance their performance.
3. We observe an honest, ethical and professional approach to trading practices, media contracts and proof of performance.
4. We put genuine effort into providing research data, strategic planning, creative advice and production guidance to ensure that advertisers get the most out of their outdoor advertising campaigns.

Principles of doing business with regulators:

1. We support fair and transparent tender processes for the awarding of contracts for outdoor advertising sites.
2. We advocate the right to develop and maintain outdoor advertising structures that are consistent with legal, regulatory and planning requirements.
3. We acquire and negotiate outdoor advertising sites in a business-like and competitive fashion.
4. We support outdoor advertising as a legitimate business to be practiced in appropriately zoned areas only.
5. We advocate regulatory changes that permit the use of new outdoor advertising technologies to enhance the service that we can offer to our advertisers.
6. We only endorse advertising that adheres to relevant codes of practice administered by the advertising industry (see box below).

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Responsibilities towards the community:

1. We are committed to providing an effective form of communication for goods, services and public information of interest and/or benefit to the community.
2. We are committed to contributing to the sustainability of the communities in which we operate through initiatives identified in the OMA's *Environment and Sustainability Statement*.
3. We actively support community service and charity campaigns.
4. We support all decisions made by the Advertising Standards Board in regards to complaints about outdoor advertising.
5. We only endorse the display of advertising that adheres to the following advertising industry codes of practice:
 - Australian Association of National Advertisers (AANA) *Code of Ethics*.
 - *AANA Environmental Claims in Advertising and Marketing Code*
 - *AANA Code for Advertising and Marketing Communications for Children*.
 - *AANA Food and Beverages Advertising and Marketing Communications Code*.
 - *The Alcohol Beverages Advertising Code (ABAC)*.
 - *The Federal Chamber of Automotive Industries' Voluntary Code of Practice for Motor Vehicle Advertising*.
 - *The Therapeutic Goods Advertising Code*.
 - *The Weight Management Industry Code of Practice*.
6. We are committed to the responsible advertising of alcoholic beverages, including limiting their display around schools, as outlined in the OMA's *Alcohol Advertising Guidelines*.
7. We endorse and support the display of advertising for alcoholic beverages that has been approved by the Alcohol Advertising Pre-vetting System (AAPS).
8. We are committed to working with road authorities to address road safety requirements for outdoor advertising.

Responsibilities towards the environment:

1. We are committed to protecting natural scenic beauty, parks, forests and places of historic value by locating our displays near populous areas as permitted by legislation.
2. We are committed to reducing the impact of our business on the built and natural environment through initiatives identified in the OMA's *Environment and Sustainability Statement*.
3. We are committed to recycling our waste materials where practicable.

OMA Alcohol Advertising Guidelines

All members of the OMA are committed to responsible advertising, particularly concerning the advertising of alcohol products. As outlined in the OMA's *Code of Ethics*, our members only endorse alcohol advertising that complies with both the Australian Association of National Advertisers (AANA) *Code of Ethics* and the *Alcohol Beverages Advertising Code (ABAC)*.

Our members acknowledge the recent public concern regarding the advertising of alcohol products and are committed to reducing the risk of alcohol advertisements inadvertently targeting young people who are not of a legal drinking age.

The OMA has therefore introduced a new policy which requires all members to **limit the advertising of alcohol products on fixed signs that are located within a 150 metre sight line of a primary or secondary school. This generally relates to any access gates to the school.**

There are some locations near schools where this policy does not apply, for example where the school is in the vicinity of a club, pub or bottle shop or any other venue that sells alcohol products. The policy also does not apply to transit advertising on buses and taxis.

This policy will be implemented by 31 March 2009 to allow time for OMA members to rearrange their inventory management systems and to honour seasonal contracts that have already been booked over the next six months.

In addition to the above policy, OMA members will also **only accept copy for alcohol advertising that has been approved for display through the *Alcohol Advertising Pre-vetting System (AAPS)***. The primary function of the AAPS is to reinforce the effectiveness of the ABAC Code, by utilising independent adjudicators to evaluate advertisements for alcohol beverages against the Code at either the concept or story-board stage. The AAPS has been very successful in reducing the number of complaints made about alcohol advertising.

The OMA and its members will continue to support all decisions made by the Advertising Standards Board or the ABAC Adjudication Panel in regards to complaints made about alcohol advertisements and outdoor advertising in general.



ABN 59 004 233 489

OMA's Environment and Sustainability Statement

As the peak representative body for the Australian outdoor advertising industry, the Outdoor Media Association (OMA) recognises our responsibility to minimise the impact of our industry's operations on the built and natural environment, and to contribute to the sustainability of the communities in which we operate.

We further recognise that to remain a financially responsible industry requires leadership through assisting members with regulatory and marketing support, monitoring global industry trends, abiding by the industry's Code of Ethics and promoting best practice.

The OMA will assist our members in meeting these goals by:

- Monitoring and reporting on evolving outdoor media technologies that reduce the impact of outdoor advertising on the built and natural environment.
- Working with member companies to establish achievable and measurable industry-wide environmental initiatives, including:
 - Benchmarks for reducing the generation of waste, including recycling programs for outdoor advertising skins.
 - Programs to conserve energy, water and natural resources through increased efficiency and the introduction of new technologies and production methods.
 - Targets to increase the number of fuel-efficient vehicles within operational transport fleets.
- Coordinating industry-wide initiatives which provide sponsorships or in-kind support toward community causes and not-for-profit organisations.
- Consulting on a regular basis with regulatory agencies and other key stakeholders on the planning and integration of outdoor media so as to add to the public benefit.
- Communicating openly and constructively with relevant authorities, government agencies and the community on sustainability and environment issues which relate to the outdoor advertising industry.
- Supporting members' own environment and sustainability policies through targeted promotion and education among internal and external stakeholders.

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This Code has been adopted by the AANA as part of advertising and marketing self-regulation. The object of this Code is to ensure that advertisements are legal, decent, honest and truthful and that they have been prepared with a sense of obligation to the consumer and society and fair sense of responsibility to competitors.

In this Code, unless the context otherwise requires:

Advertising or Marketing Communication means:

- (a) matter which is published or broadcast using any Medium in all of Australia or in a substantial section of Australia for payment or other valuable consideration and which draws the attention of the public or a segment of it to a product, service, person, organisation or line of conduct in a manner calculated to promote or oppose directly or indirectly the product, service, person, organisation or line of conduct; or
- (b) any activity which is undertaken by or on behalf of an advertiser or marketer for payment or other valuable consideration and which draws the attention of the public or a segment of it to a product, service, person, organisation or line of conduct in a manner calculated to promote or oppose directly or indirectly the product, service, person, organisation or line of conduct,

but does not include Excluded Advertising or Marketing Communications.

Advertising or Marketing Communications to Children

means Advertising or Marketing Communications which, having regard to the theme, visuals and language used, are directed primarily to Children and are for Product.

Advertising Standards Board

means the board appointed by the Advertising Standards Bureau from time to time, the members of which are representative of the community, to administer a public complaints system in relation to Advertising or Marketing Communications.

Children means persons 14 years old or younger and **Child** means a person 14 years old or younger.

Excluded Advertising or Marketing Communications means labels or packaging for Products.

Medium means any medium whatsoever including without limitation cinema, internet, outdoor media, print, radio, telecommunications, television or other direct-to-consumer media including new and emerging technologies.

Prevailing Community Standards

means the community standards determined by the Advertising Standards Board as those prevailing at the relevant time, and based on research carried out on behalf of the Advertising Standards Board as it sees fit, in relation to Advertising or Marketing Communications.

1. SECTION 1

- 1.1 Advertising or Marketing Communications shall comply with Commonwealth law and the law of the relevant State or Territory.
- 1.2 Advertising or Marketing Communications shall not be misleading or deceptive or be likely to mislead or deceive.
- 1.3 Advertising or Marketing Communications shall not contain a misrepresentation, which is likely to cause damage to the business or goodwill of a competitor.
- 1.4 Advertising or Marketing Communications shall not exploit community concerns in relation to protecting the environment by presenting or portraying distinctions in products or services advertised in a misleading way or in a way which implies a benefit to the environment which the product or services do not have.
- 1.5 Advertising or Marketing Communications shall not make claims about the Australian origin or content of products advertised in a manner which is misleading.

2. SECTION 2

- 2.1 Advertising or Marketing Communications shall not portray people or depict material in a way which discriminates against or vilifies a person or section of the community on account of race, ethnicity, nationality, sex, age, sexual preference, religion, disability or political belief.

2.2 Advertising or Marketing

Communications shall not present or portray violence unless it is justifiable in the context of the product or service advertised.

2.3 Advertising or Marketing

Communications shall treat sex, sexuality and nudity with sensitivity to the relevant audience and, where appropriate, the relevant programme time zone.

2.4 Advertising or Marketing

Communications to Children shall comply with the AANA's Code of Advertising & Marketing Communications to Children and section 2.6 of this Code shall not apply to advertisements to which AANA's Code of Advertising & Marketing Communications to Children applies.

2.5 Advertising or Marketing

Communications shall only use language which is appropriate in the circumstances and strong or obscene language shall be avoided.

2.6 Advertising or Marketing

Communications shall not depict material contrary to Prevailing Community Standards on health and safety.

2.7 Advertising or Marketing

Communications for motor vehicles shall comply with the Federal Chamber of Automotive Industries Code of Practice relating to Advertising for Motor Vehicles and section 2.6 of this Code shall not apply to advertising or marketing communications to which the Federal Chamber of Automotive Industries Code of Practice applies.

2.8 Advertising or Marketing

Communications for food or beverage products shall comply with the AANA Food & Beverages Advertising & Marketing Communications Code as well as to the provisions of this Code.

An outline of the process by which complaints can be made against this Code follows.

ADVERTISING STANDARDS BOARD COMPLAINTS PROCESS

Receipt of complaints

The Advertising Standards Board (**Board**) will normally only accept written complaints – by post or facsimile or via the online complaints form on the Advertising Standard Bureau (**ASB**) website (www.adstandards.com.au).

All complaints received are promptly assessed as to their appropriateness for submission to the Board for determination. The Secretariat replies to all complainants informing them of the status of their complaint.

If the information provided in the letter of complaint is insufficient (in particular, if it fails to adequately identify the advertiser or marketer, product or nature of complaint) then more information is sought from the complainant.

Complaints are not forwarded to the Board if:

- The commercial communication complained about has been previously considered – however all complaints are referred to the advertiser or marketer for its consideration.
- The commercial communication complained about does not constitute an Advertising or Marketing Communication for the purposes of one of the codes ASB administers being section 2 of the AANA Code of Ethics, the AANA Food & Beverages Advertising & Marketing Communications Code, the AANA Code for Advertising & Marketing Communications to Children or the Federal Chamber of Automotive Industries' Voluntary Code of Practice for Motor Vehicle Advertising (**Codes**).

- The complaint would involve determining questions of law or questions of truth and accuracy (other than as provided for under clause 2.2 of the AANA Code for Advertising & Marketing Communications to Children and under clauses 2.1, 2.4 and 3.1 of the AANA Food & Beverages Advertising & Marketing Communications Code).
- The complaint involves trivial issues.
- The complaint involves public advocacy issues.
- The commercial communication complained about is local advertising.
- The commercial communication complained about is the subject of litigation or an order by a court or government agency.
- The complaint is about unlawful business practices.
- The commercial communication complained about has been withdrawn or discontinued before challenge.
- The complaint is about highly technical issues.
- The complaint is about label directions or basic performance of products and services not related to advertising or marketing claims.
- The complaint involves issues covered by specific industry codes, such as:
 - slimming/weight management products and services;
 - therapeutic goods;
 - alcoholic beverages; except in the case of motor vehicles.

An anonymous complaint is not sufficient to initiate a formal complaint. It can however be included as part of a complaint that has already been raised or is subsequently raised. To facilitate this, anonymous complaints are kept on file.

Initiating complaints

A single written complaint is sufficient to initiate a formal complaint.

Advising Advertiser/Marketer of complaints

Once a complaint has been accepted by the ASB, the advertiser/marketer is notified about the complaint, provided with a copy of the complaint and is requested to provide a written response and copies of the relevant advertising or marketing communication within sufficient time to allow the complaint to be dealt with at the next meeting of the Board.

If an advertiser/marketer fails to provide a response to the complaint within the specified period or any extension of it, the Board may consider the complaint and the advertising or marketing communication in question without the advertiser/marketer response.

Complaint resolution

The Board meets twice a month to consider complaints received. The Board also meets between meetings, usually by teleconference, if the Secretariat considers that a matter should be considered as a matter of urgency.

The position of Chair is rotated among Board members on a meeting by meeting basis. The Chair for each meeting during a year is generally determined at the beginning of each year but can be varied to accommodate changes in individual schedules.

Board members must disclose any personal interest in a matter that is the subject of a complaint. The member concerned must withdraw from contributing to the debate and decision or case report approval in relation to those complaints.

If a Board member's duties to another board or organisation require that they breach their duty of loyalty or confidentiality to the Board for a period of time, then the member must disclose this position to the Board.

A general conflict with the Board would require that the member withdraw from their duties to the Board during the period that the conflict continues.

The Board reaches its decision by way of simple majority. In the event of a tied vote, the Chair has a casting vote.

In relation to individual complaints, Board members will consider:

- the complaint(s) received;
- all relevant advertising/marketing communications submitted by the advertiser/marketer;
- the advertiser/marketer's response (if any);
- all relevant provisions of the Codes; and
- any other relevant supporting materials or other representations or submissions.

The Board considers complaints in light of all of the Codes and accordingly may apply any part of those Codes in reaching a determination. The Board is not limited, in its considerations, to issues raised by the complaint.

If the Board is unable to reach a decision until it is in possession of additional information, it can defer its determination until a future date.

Decisions the Board can make

Determination – complaint upheld

A complaint is upheld if the Board determines there is a breach of one of the Codes.

Determination – Complaint dismissed

A complaint is dismissed if the Board determines there is no breach of any of the Codes.

Notifying advertisers/marketers and complainants of the outcome of the Board's decision

Following the Board's determination, a draft case report is promptly prepared by the ASB and submitted to the Chair for approval. Following receipt of Chair approval, the ASB notifies the advertiser/marketer of the outcome and sends the advertiser/marketer a copy of the draft case report. This usually occurs between 8 and 10 business days of the Board decision. The advertiser/marketer is requested to advise the Board whether it agrees to modify or discontinue the advertising or marketing communication (**Advertiser Statement**) within 5 business days of the covering letter advising of the outcome and enclosing the draft case report. The advertiser/marketer is also advised of the opportunity to include an Advertiser's Statement in the case report.

If an advertising or marketing communication is found to breach a provision of the Codes and the advertiser/marketer does not respond to the opportunity to modify or discontinue the advertising or marketing communication within the allowed time frame, the Board will:

- If appropriate, refer the case report to the appropriate government agency;
- Include the advertiser/marketer's failure to respond in the case report;
- Forward the case report to media proprietors; and
- Post the case report on the ASB's website.

Publish case report

Within 10 business days of the Board's decision, all finalised case reports are made publicly available.

Review

If a complaint is upheld, the advertiser/marketer can ask for a review of the Board's decision. If a complaint is dismissed, the original complainant can ask for a review of the Board's decision. There are 3 grounds on which a request for review may be made:

- Where new or additional relevant evidence which could have a significant bearing on the decision becomes available;
- Where there is a substantial flaw in the Board's decision; or
- Where there was a substantial flaw in the process by which the decision was made.

Any request for review should contain a full statement of the grounds, be addressed to the Independent Reviewer of ASB decisions c/o the ASB and be sent within 10 business days of the date of the ASB's letter of notification of a decision. The non-refundable cost of a review is \$500 for complainants, \$1000 for complainants who are Incorporated Associations and \$2000 for advertisers/marketers.

Requests for review will be considered by the Independent Reviewer. If the Independent Reviewer accepts the request for review, the Independent Reviewer will invite further comments on the review from the party who did not request the review.

Unless exceptional circumstances apply, within 10 business days of receipt of the request, the Independent Reviewer will make a recommendation (including reasons for the decision/recommendation and copies of any material relevant to the recommendation) to the Board, stating whether the decision should be reviewed, amended or confirmed.

This recommendation will remain confidential until the Board's decision is published.

The Board must consider, but is not obliged to accept the Independent Reviewer's recommendation.

Following reconsideration by the Board a new case report will be prepared. The Board's decision in the new case report is final and not capable of further review.

Environmental Claims in Advertising and Marketing Code

This Code has been adopted by the AANA as part of advertising and marketing self-regulation. The object of this code is to ensure that advertisers and marketers develop and maintain rigorous standards when making Environmental Claims in Advertising and Marketing Communications and to increase consumer confidence to the benefit of the environment, consumers and industry.

Providing clear, straightforward, environmental information, as outlined in this code, has benefits for consumers and business alike. By providing information about the environmental impacts and qualities of products and services, environmental claims (sometimes called 'green' claims) help consumers make informed buying choices. They also help raise awareness of the issues, enhance consumer understanding and improve product standards overall. At the same time businesses can enhance their credentials and demonstrate to the community at large their willingness to be accountable for upholding these standards.

PRINCIPLES

AANA supports the following principles for environmental claims.

Claims should be:

- Truthful and factual
- Relevant to the product or service and its actual environmental impacts, and
- Substantiated and verifiable.

DEFINITIONS

In this Code, unless the context otherwise requires:

Advertising or Marketing Communication

- means:
- (a) matter which is published or broadcast using any Medium in all of Australia or in a substantial section of Australia for payment or other valuable consideration and which draws the attention of the public or a segment of it to a product, service, person, organisation or line of conduct in a manner calculated to promote or oppose directly or indirectly the product, service, person, organisation or line of conduct; or

- (b) any activity which is undertaken by or on behalf of an advertiser or marketer for payment or other valuable consideration and which draws the attention of the public or a segment of it to a product, service, person, organisation or line of conduct in a manner calculated to promote or oppose directly or indirectly the product, service, person, organisation or line of conduct,

but does not include Excluded Advertising or Marketing Communications.

Advertising Standards Board

means the board appointed by the Advertising Standards Bureau from time to time, the members of which are representative of the community, to administer a public complaints system in relation to Advertising or Marketing Communications.

Authoritative (organisation, initiative, program) means a source of expert information, advice, assistance and includes, but is not limited to, government, industry bodies, scientific/technical organisations, independent certification schemes, international or national standards setting organisations.

Environment includes:

- (a) ecosystems and their constituent parts, including people and communities; and
- (b) natural and physical resources; and
- (c) the qualities and characteristics of locations, places and areas.

Environmental Aspect means the element of a product, a component or packaging or service that interacts with or influences (or has the capacity to interact with or influence) the Environment.

Environmental Claim means any representation that indicates or suggests an Environmental Aspect of a product or service, a component or packaging of, or a quality relating to, a product or service.

Excluded Advertising or Marketing Communications means a label or packaging for Products,

Medium means any medium whatsoever including without limitation cinema, internet, outdoor media, print, radio, telecommunications, television or other direct-to-consumer media including new and emerging technologies.

Environmental Claims in Advertising and Marketing Code

CODE OF PRACTICE

1 TRUTHFUL AND FACTUAL PRESENTATION

Environmental Claims in Advertising or Marketing Communications:

- i. shall not be misleading or deceptive or be likely to mislead or deceive.
- ii. must not be vague, ambiguous or unbalanced.
- iii. must display any disclaimers or important limitations and qualifications prominently, in clear, plain and specific language.
- iv. must be supported by evidence that is current and reflects legislative, scientific and technological developments.
- v. that make any claim relating to future matters or commitments must be based on reasonable grounds.
- vi. must not lead the consumer to conclude a business has voluntarily adopted an environmental practice if that practice has been legally mandated.
- vii. must not imply a product or service is endorsed or certified by another organisation when it is not.
- viii. must represent the attributes or extent of the environmental benefits or limitations as they relate to a particular aspect of a product or service in a manner that can be clearly understood by the consumer. Relevant information should be presented together.

- ix. must reflect the level of scientific or authoritative acceptance of matters relating to any claim; claims should not imply wide acceptance if this is not the case. Where evidence is inconclusive this should be reflected in the Advertising or Marketing Communication.
- x. that use scientific terminology, technical language or statistics must do so in a way that is appropriate, clearly communicated and able to be readily understood by the audience to whom it is directed. Publication of research results must identify the researcher and source reference unless there is an obligation of confidence or compelling commercial reason not to do so.

2 A GENUINE BENEFIT TO THE ENVIRONMENT

Environmental Claims must:

- i. be relevant, specific and clearly explain the significance of the claim.
- ii. not overstate the claim expressly or by implication.
- iii. in comparative advertisements, be relevant and balanced either about the product/service advertised or class of products or services, with which it is compared.
- iv. not imply that a product or service is more socially acceptable on the whole. The use of Environmental Claims must not reduce the importance of non-environment attributes / detriments of a product or service.
- v. not imply direct relationship to social initiatives of a business where there is no correlation to environmental benefits or attributes or improvements to a product or service.

3 SUBSTANTIATION

- i. Environmental Claims must be able to be substantiated and verifiable. Supporting information must include sufficient detail to allow evaluation of a claim.
- ii. Environmental Claims must meet any applicable standards that apply to the benefit or advantage claimed.
- iii. The use of unqualified general claims of environmental benefit should be avoided unless supported by a high level of substantiation or associated with a legitimate connection to an authoritative source.
- iv. Environmental Claims and comparisons that are qualified or limited may be acceptable if advertisers can substantiate that the product/service provides an overall improvement in environmental terms either against a competitor's or their own previous products.
- v. Claims relating to sponsorships, approvals, endorsement or certification schemes must be current.
- vi. The use of any symbol or logo must be explained unless the symbol is required by law, or is underpinned by regulations or standards, or is part of an authoritative certification scheme.
- vii. Substantiation information should be readily accessible, or made available in a timely manner in response to a reasonable written request.
- viii. Testimonials must reflect genuine, informed and current opinion of the person giving the testimonial.

September 2009

This Code has been adopted by the AANA as part of advertising and marketing self regulation. The object of this Code is to ensure that advertisers and marketers develop and maintain a high sense of social responsibility in advertising and marketing to children in Australia.

1. DEFINITIONS

In this Code, unless the context otherwise requires:

Advertising or Marketing Communication means:

- (a) matter which is published or broadcast using any Medium in all of Australia or in a substantial section of Australia for payment or other valuable consideration and which draws the attention of the public or a segment of it to a product, service, person, organisation or line of conduct in a manner calculated to promote or oppose directly or indirectly the product, service, person, organisation or line of conduct; or
- (b) any activity which is undertaken by or on behalf of an advertiser or marketer for payment or other valuable consideration and which draws the attention of the public or a segment of it to a product, service, person, organisation or line of conduct in a manner calculated to promote or oppose directly or indirectly the product, service, person, organisation or line of conduct,

but does not include Excluded Advertising or Marketing Communications.

Advertising or Marketing Communications to Children

means Advertising or Marketing Communications which, having regard to the theme, visuals and language used, are directed primarily to Children and are for Product.

Advertising Standards Board

means the board appointed by the Advertising Standards Bureau from time

to time, the members of which are representative of the community, to administer a public complaints system in relation to Advertising or Marketing Communications.

Alcohol Products means products which have some association with alcohol including alcoholic beverages, food products that contain alcohol or other Products that are associated in some way with alcohol including in the sense of being branded in that way.

Children means persons 14 years old or younger and **Child** means a person 14 years old or younger.

Excluded Advertising or Marketing Communications means labels or packaging for Products.

Medium means any medium whatsoever including without limitation cinema, internet, outdoor media, print, radio, television, telecommunications, or other direct-to-consumer media including new and emerging technologies.

Premium means anything offered free or at a reduced price and which is conditional upon the purchase of a regular Children's Food or Beverage Product.

Prevailing Community Standards means the community standards determined by the Advertising Standards Board as those prevailing at the relevant time, and based on research carried out on behalf of the Advertising Standards Board as it sees fit, in relation to Advertising or Marketing Communications to Children.

Product means goods, services and/or facilities which are targeted toward and have principal appeal to Children.

2. CODE OF PRACTICE

2.1 Prevailing Community Standards

Advertising or Marketing Communications to Children must not contravene Prevailing Community Standards.

2.2 Factual Presentation

Advertising or Marketing Communications to Children:

- (a) must not mislead or deceive Children;
- (b) must not be ambiguous; and
- (c) must fairly represent, in a manner that is clearly understood by Children:
 - (i) the advertised Product;
 - (ii) any features which are described or depicted or demonstrated in the Advertising or Marketing Communication;
 - (iii) the need for any accessory parts; and
 - (iv) that the Advertising or Marketing Communication is in fact a commercial communication rather than program content, editorial comment or other non commercial communication.

2.3 Placement

Advertising or Marketing Communications to Children must not be placed in Media where editorial comment or program content, in close proximity to that communication, or directly accessible by Children as a result of the communication, is unsuitable for Children according to Prevailing Community Standards.

2.4 Sexualisation

Advertising or Marketing Communications to Children:

- (a) must not include sexual imagery in contravention of Prevailing Community Standards;
- (b) must not state or imply that Children are sexual beings and that ownership or enjoyment of a Product will enhance their sexuality.

2.5 Safety

Advertising or Marketing Communications to Children:

- (a) must not portray images or events which depict unsafe uses of a Product or unsafe situations which may encourage Children to engage in dangerous activities or create an unrealistic impression in the minds of Children or their parents or carers about safety; and
- (b) must not advertise Products which have been officially declared unsafe or dangerous by an authorised Australian government authority.

2.6 Social Values

Advertising or Marketing Communications to Children:

- (a) must not portray images or events in a way that is unduly frightening or distressing to Children; and
- (b) must not demean any person or group on the basis of ethnicity, nationality, race, gender, age, sexual preference, religion or mental or physical disability.

2.7 Parental Authority

Advertising or Marketing Communications to Children:

- (a) must not undermine the authority, responsibility or judgment of parents or carers;
- (b) must not contain an appeal to Children to urge their parents or carers to buy a Product for them;
- (c) must not state or imply that a Product makes Children who own or enjoy it superior to their peers; and

- (d) must not state or imply that persons who buy the Product the subject of the Advertising or Marketing Communication are more generous than those who do not.

2.8 Price

- (a) Prices, if mentioned in Advertising or Marketing Communications to Children, must be accurately presented in a way which can be clearly understood by Children and must not be minimised by words such as “only” or “just”.
- (b) Advertising or Marketing Communications to Children must not imply that the Product being promoted is immediately within the reach of every family budget.

2.9 Qualifying Statements

Any disclaimers, qualifiers or asterisked or footnoted information used in Advertising or Marketing Communications to Children must be conspicuously displayed and clearly explained to Children.

2.10 Competitions

An Advertising or Marketing Communication to Children which includes a competition must:

- (a) contain a summary of the basic rules for the competition;
- (b) clearly include the closing date for entries; and
- (c) make any statements about the chance of winning clear, fair and accurate.

2.11 Popular Personalities

Advertising or Marketing Communications to Children must not use popular personalities or celebrities (live or animated) to advertise or market Products or Premiums in a manner that obscures the distinction between commercial promotions and program or editorial content.

2.12 Premiums

Advertising or Marketing Communications to Children, which include or refer to or involve an offer of a Premium:

- (a) should not create a false or misleading impression in the minds of Children about the nature or content of the Product;
- (b) should not create a false or misleading impression in the minds of Children that the product being advertised or marketed is the Premium rather than the Product;
- (c) must make the terms of the offer clear as well as any conditions or limitations; and
- (d) must not use Premiums in a way that promotes irresponsible use or excessive consumption of the Product.

2.13 Alcohol

Advertising or Marketing Communications to Children must not be for, or relate in any way to, Alcohol Products or draw any association with companies that supply Alcohol Products.

2.14 Privacy

If an Advertising or Marketing Communication indicates that personal information in relation to a Child will be collected, or if as a result of an Advertising and Marketing Communication, personal information of a Child will or is likely to be collected, then the Advertising or Marketing Communication must include a statement that the Child must obtain parental consent prior to engaging in any activity that will result in the disclosure of such personal information.

2.15 Food and Beverages

- (a) Advertising or Marketing Communications to Children for food or beverages must neither encourage nor promote an inactive lifestyle or unhealthy eating or drinking habits.
- (b) Advertising or Marketing Communications to Children must comply with the AANA Food & Beverages Advertising & Marketing Communications Code.

2.16 AANA Code of Ethics

Advertising or Marketing Communications to Children must comply with the AANA Code of Ethics.

An outline of the process by which complaints can be made against this Code follows.

ADVERTISING STANDARDS BOARD COMPLAINTS PROCESS

Receipt of complaints

The Advertising Standards Board (**Board**) will normally only accept written complaints – by post or facsimile or via the online complaints form on the Advertising Standard Bureau (**ASB**) website (www.adstandards.com.au).

All complaints received are promptly assessed as to their appropriateness for submission to the Board for determination. The Secretariat replies to all complainants informing them of the status of their complaint.

If the information provided in the letter of complaint is insufficient (in particular, if it fails to adequately identify the advertiser or marketer, product or nature of complaint) then more information is sought from the complainant.

Complaints are not forwarded to the Board if:

- The commercial communication complained about has been previously considered – however all complaints are referred to the advertiser or marketer for its consideration.
- The commercial communication complained about does not constitute an Advertising or Marketing Communication for the purposes of one of the codes ASB administers being section 2 of the AANA Code of Ethics, the AANA Food & Beverages Advertising & Marketing Communications Code, the AANA Code for Advertising & Marketing Communications to Children or the Federal Chamber of Automotive Industries' Voluntary Code of Practice for Motor Vehicle Advertising (**Codes**).

- The complaint would involve determining questions of law or questions of truth and accuracy (other than as provided for under clause 2.2 of the AANA Code for Advertising & Marketing Communications to Children and under clauses 2.1, 2.4 and 3.1 of the AANA Food & Beverages Advertising & Marketing Communications Code).
- The complaint involves trivial issues.
- The complaint involves public advocacy issues.
- The commercial communication complained about is local advertising.
- The commercial communication complained about is the subject of litigation or an order by a court or government agency.
- The complaint is about unlawful business practices.
- The commercial communication complained about has been withdrawn or discontinued before challenge.
- The complaint is about highly technical issues.
- The complaint is about label directions or basic performance of products and services not related to advertising or marketing claims.
- The complaint involves issues covered by specific industry codes, such as:
 - slimming/weight management products and services;
 - therapeutic goods;
 - alcoholic beverages; except in the case of motor vehicles.

An anonymous complaint is not sufficient to initiate a formal complaint. It can however be included as part of a complaint that has already been raised or is subsequently raised. To facilitate this, anonymous complaints are kept on file.

Initiating complaints

A single written complaint is sufficient to initiate a formal complaint.

Advising Advertiser/Marketer of complaints

Once a complaint has been accepted by the ASB, the advertiser/marketer is notified about the complaint, provided with a copy of the complaint and is requested to provide a written response and copies of the relevant advertising or marketing communication within sufficient time to allow the complaint to be dealt with at the next meeting of the Board.

If an advertiser/marketer fails to provide a response to the complaint within the specified period or any extension of it, the Board may consider the complaint and the advertising or marketing communication in question without the advertiser/marketer response.

Complaint resolution

The Board meets twice a month to consider complaints received. The Board also meets between meetings, usually by teleconference, if the Secretariat considers that a matter should be considered as a matter of urgency.

The position of Chair is rotated among Board members on a meeting by meeting basis. The Chair for each meeting during a year is generally determined at the beginning of each year but can be varied to accommodate changes in individual schedules.

Board members must disclose any personal interest in a matter that is the subject of a complaint. The member concerned must withdraw from contributing to the debate and decision or case report approval in relation to those complaints.

If a Board member's duties to another board or organisation require that they breach their duty of loyalty or confidentiality to the Board for a period of time, then the member must disclose this position to the Board.

A general conflict with the Board would require that the member withdraw from their duties to the Board during the period that the conflict continues.

The Board reaches its decision by way of simple majority. In the event of a tied vote, the Chair has a casting vote.

In relation to individual complaints, Board members will consider:

- the complaint(s) received;
- all relevant advertising/marketing communications submitted by the advertiser/marketer;
- the advertiser/marketer's response (if any);
- all relevant provisions of the Codes; and
- any other relevant supporting materials or other representations or submissions.

The Board considers complaints in light of all of the Codes and accordingly may apply any part of those Codes in reaching a determination. The Board is not limited, in its considerations, to issues raised by the complaint.

If the Board is unable to reach a decision until it is in possession of additional information, it can defer its determination until a future date.

Decisions the Board can make

Determination – complaint upheld

A complaint is upheld if the Board determines there is a breach of one of the Codes.

Determination – Complaint dismissed

A complaint is dismissed if the Board determines there is no breach of any of the Codes.

Notifying advertisers/marketers and complainants of the Outcome of the Board's decision

Following the Board's determination, a draft case report is promptly prepared by the ASB and submitted to the Chair for approval. Following receipt of Chair approval, the ASB notifies the advertiser/marketer of the outcome and sends the advertiser/marketer a copy of the draft case report. This usually occurs between 8 and 10 business days of the Board decision. The advertiser/marketer is requested to advise the Board whether it agrees to modify or discontinue the advertising or marketing communication (**Advertiser Statement**) within 5 business days of the covering letter advising of the outcome and enclosing the draft case report. The advertiser/marketer is also advised of the opportunity to include an Advertiser's Statement in the case report.

If an advertising or marketing communication is found to breach a provision of the Codes and the advertiser/marketer does not respond to the opportunity to modify or discontinue the advertising or marketing communication within the allowed time frame, the Board will:

- If appropriate, refer the case report to the appropriate government agency;
- Include the advertiser/marketer's failure to respond in the case report;
- Forward the case report to media proprietors; and
- Post the case report on the ASB's website.

Publish case report

Within 10 business days of the Board's decision, all finalised case reports are made publicly available.

Review

If a complaint is upheld, the advertiser/marketer can ask for a review of the Board's decision. If a complaint is dismissed, the original complainant can ask for a review of

the Board's decision. There are 3 grounds on which a request for review may be made:

- Where new or additional relevant evidence which could have a significant bearing on the decision becomes available;
- Where there is a substantial flaw in the Board's decision; or
- Where there was a substantial flaw in the process by which the decision was made.

Any request for review should contain a full statement of the grounds, be addressed to the Independent Reviewer of ASB decisions c/o the ASB and be sent within 10 business days of the date of the ASB's letter of notification of a decision. The non-refundable cost of a review is \$500 for complainants, \$1000 for complainants who are Incorporated Associations and \$2000 for advertisers/marketers.

Requests for review will be considered by the Independent Reviewer. If the Independent Reviewer accepts the request for review, the Independent Reviewer will invite further comments on the review from the party who did not request the review.

Unless exceptional circumstances apply, within 10 business days of receipt of the request, the Independent Reviewer will make a recommendation (including reasons for the decision/recommendation and copies of any material relevant to the recommendation) to the Board, stating whether the decision should be reviewed, amended or confirmed. This recommendation will remain confidential until the Board's decision is published.

The Board must consider, but is not obliged to accept the Independent Reviewer's recommendation. Following reconsideration by the Board a new case report will be prepared. The Board's decision in the new case report is final and not capable of further review.

August 2009

This Code has been adopted by the AANA as part of advertising and marketing self-regulation. The object of this Code is to ensure that advertisers and marketers develop and maintain a high sense of social responsibility in advertising and marketing food and beverage products in Australia.

1. DEFINITIONS

In this Code, unless the context otherwise requires:

Advertising or Marketing Communication means:

- (a) matter which is published or broadcast using any Medium in all of Australia or in a substantial section of Australia for payment or other valuable consideration and which draws the attention of the public or a segment of it to a product, service, person, organisation or line of conduct in a manner calculated to promote or oppose directly or indirectly the product, service, person, organisation or line of conduct; or
- (b) any activity which is undertaken by or on behalf of an advertiser or marketer for payment or other valuable consideration and which draws the attention of the public or a segment of it to a product, service, person, organisation or line of conduct in a manner calculated to promote or oppose directly or indirectly the product, service, person, organisation or line of conduct,

but does not include Excluded Advertising or Marketing Communications.

Advertising or Marketing Communications to Children

means Advertising or Marketing Communications which, having regard to the theme, visuals and language used, are directed primarily to Children and are for a Children's Food or Beverage Product.

Advertising Standards Board

means the board appointed by the Advertising Standards Bureau from time to time, the members of which are representative of the community, to administer a public complaints system in relation to Advertising or Marketing Communications.

Average Consumer means a regular adult family shopper able to compare products by label-listed definition.

Children means persons 14 years old or younger and **Child** means a person 14 years old or younger.

Children's Food or Beverage Product

means any food or beverage product other than alcoholic beverages as defined in and subject to regulation by the Alcohol Beverages Advertising Code, which is targeted toward and has principal appeal to Children.

Excluded Advertising or Marketing Communications means labels or packaging for Products.

Food or Beverage Products means any food or beverage products other than alcoholic beverages as defined in and subject to regulation by the Alcohol Beverages Advertising Code.

Medium means any medium whatsoever including without limitation cinema, internet, outdoor media, print, radio, television, telecommunications, or other direct to consumer media including new and emerging technologies.

Premium means anything offered free or at a reduced price and which is conditional upon the purchase of a regular Product.

Prevailing Community Standards

means the community standards determined by the Advertising Standards Board as those prevailing at the relevant time, and based on research carried out on behalf of the Advertising Standards Board as it sees fit, in relation to the advertising or marketing of Food or Beverage Products taking into account, at a minimum, the requirements of the Australia New Zealand Food Standards Code, the Australian Dietary Guidelines as defined by the National Health and Medical Research Council and the National Physical Activity Guidelines as published by the Federal Government of Australia.

2. ADVERTISING OR MARKETING COMMUNICATIONS FOR FOOD OR BEVERAGE PRODUCTS

- 2.1 Advertising or Marketing Communications for Food or Beverage Products shall be truthful and honest, shall not be or be designed to be misleading or deceptive or otherwise contravene Prevailing Community Standards, and shall be communicated in a manner appropriate to the level of understanding of the target audience of the Advertising or Marketing Communication with an accurate presentation of all information including any references to nutritional values or health benefits.

2.2 Advertising or Marketing Communications for Food or Beverage Products shall not undermine the importance of healthy or active lifestyles nor the promotion of healthy balanced diets, or encourage what would reasonably be considered as excess consumption through the representation of product/s or portion sizes disproportionate to the setting/s portrayed or by means otherwise regarded as contrary to Prevailing Community Standards.

2.3 Advertising or Marketing Communications for Food or Beverage Products that include what an Average Consumer, acting reasonably, might interpret as health or nutrition claims shall be supportable by appropriate scientific evidence meeting the requirements of the Australia New Zealand Food Standards Code.

2.4 Advertising or Marketing Communications for Food or Beverage Products which include nutritional or health related comparisons shall be represented in a non misleading and non deceptive manner clearly understandable by an Average Consumer.

2.5 Advertising or Marketing Communications for Food or Beverage Products shall not make reference to consumer taste or preference tests in any way that might imply statistical validity if there is none, nor otherwise use scientific terms to falsely ascribe validity to advertising claims.

2.6 Advertising or Marketing Communications for Food or Beverage Products including claims relating to material characteristics such as taste, size, content, nutrition and health benefits, shall be specific to the promoted product/s and accurate in all such representations.

2.7 Advertising or Marketing Communications for Food or Beverage Products appearing within segments of media devoted to general and sports news and/or current affairs, shall not use associated sporting, news or current affairs personalities, live or animated, as part of such Advertising and/or Marketing Communications without clearly distinguishing between commercial promotion and editorial or other program content.

2.8 Advertising or Marketing Communications for Food and/or Beverage Products not intended or suitable as substitutes for meals shall not portray them as such.

2.9 Advertising or Marketing Communications for Food and/or Beverage Products must comply with the AANA Code of Ethics and the AANA Code for Advertising & Marketing Communications to Children.

3. ADVERTISING AND CHILDREN

3.1 Advertising or Marketing Communications to Children shall be particularly designed and delivered in a manner to be understood by those Children, and shall not be misleading or deceptive or seek to mislead or deceive in relation to any nutritional or health claims, nor employ ambiguity or a misleading or deceptive sense of urgency, nor feature practices such as price minimisation inappropriate to the age of the intended audience.

3.2 Advertising or Marketing Communications to Children shall not improperly exploit Children's imaginations in ways which might reasonably be regarded as being based upon an intent to encourage those Children to consume what would be considered, acting reasonably, as excessive quantities of the Children's Food or Beverage Product/s.

3.3 Advertising or Marketing Communications to Children shall not state nor imply that possession or use of a particular Children's Food or Beverage Product will afford physical, social or psychological advantage over other Children, or that non possession of the Children's Food or Beverage Product would have the opposite effect.

3.4 Advertising or Marketing Communications to Children shall not aim to undermine the role of parents or carers in guiding diet and lifestyle choices.

3.5 Advertising or Marketing Communications to Children shall not include any appeal to Children to urge parents and/or other adults responsible for a child's welfare to buy particular Children's Food or Beverage Products for them.

3.6 Advertising or Marketing Communications to Children shall not feature ingredients or Premiums unless they are an integral element of the Children's Food or Beverage Product/s being offered.

An outline of the process by which complaints can be made against this Code follows.

ADVERTISING STANDARDS BOARD COMPLAINTS PROCESS

Receipt of complaints

The Advertising Standards Board (**Board**) will normally only accept written complaints – by post or facsimile or via the online complaints form on the Advertising Standard Bureau (**ASB**) website (www.adstandards.com.au).

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Complaints are not forwarded to the Board if:

- The commercial communication complained about has been previously considered – however all complaints are referred to the advertiser or marketer for its consideration.
- The commercial communication complained about does not constitute an Advertising or Marketing Communication for the purposes of one of the codes ASB administers being section 2 of the AANA Code of Ethics, the AANA Food & Beverages Advertising & Marketing Communications Code, the AANA Code for Advertising & Marketing Communications to Children or the Federal Chamber of Automotive Industries' Voluntary Code of Practice for Motor Vehicle Advertising (**Codes**).

- The complaint would involve determining questions of law or questions of truth and accuracy (other than as provided for under clause 2.2 of the AANA Code for Advertising & Marketing Communications to Children and under clauses 2.1, 2.4 and 3.1 of the AANA Food & Beverages Advertising & Marketing Communications Code).
- The complaint involves trivial issues.
- The complaint involves public advocacy issues.
- The commercial communication complained about is local advertising.
- The commercial communication complained about is the subject of litigation or an order by a court or government agency.
- The complaint is about unlawful business practices.
- The commercial communication complained about has been withdrawn or discontinued before challenge.
- The complaint is about highly technical issues.
- The complaint is about label directions or basic performance of products and services not related to advertising or marketing claims.
- The complaint involves issues covered by specific industry codes, such as:
 - slimming/weight management products and services;
 - therapeutic goods;
 - alcoholic beverages; except in the case of motor vehicles.

An anonymous complaint is not sufficient to initiate a formal complaint. It can however be included as part of a complaint that has already been raised or is subsequently raised. To facilitate this, anonymous complaints are kept on file.

Initiating complaints

A single written complaint is sufficient to initiate a formal complaint.

Advising Advertiser/Marketer of complaints

Once a complaint has been accepted by the ASB, the advertiser/marketer is notified about the complaint, provided with a copy of the complaint and is requested to provide a written response and copies of the relevant advertising or marketing communication within sufficient time to allow the complaint to be dealt with at the next meeting of the Board.

If an advertiser/marketer fails to provide a response to the complaint within the specified period or any extension of it, the Board may consider the complaint and the advertising or marketing communication in question without the advertiser/marketer response.

Complaint resolution

The Board meets twice a month to consider complaints received. The Board also meets between meetings, usually by teleconference, if the Secretariat considers that a matter should be considered as a matter of urgency.

The position of Chair is rotated among Board members on a meeting by meeting basis. The Chair for each meeting during a year is generally determined at the beginning of each year but can be varied to accommodate changes in individual schedules.

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The Board reaches its decision by way of simple majority. In the event of a tied vote, the Chair has a casting vote.

In relation to individual complaints, Board members will consider:

- the complaint(s) received;
- all relevant advertising/marketing communications submitted by the advertiser/marketer;
- the advertiser/marketer's response (if any);
- all relevant provisions of the Codes; and
- any other relevant supporting materials or other representations or submissions.

The Board considers complaints in light of all of the Codes and accordingly may apply any part of those Codes in reaching a determination. The Board is not limited, in its considerations, to issues raised by the complaint.

If the Board is unable to reach a decision until it is in possession of additional information, it can defer its determination until a future date.

Decisions the Board can make

Determination – complaint upheld

A complaint is upheld if the Board determines there is a breach of one of the Codes.

Determination – Complaint dismissed

A complaint is dismissed if the Board determines there is no breach of any of the Codes.

Notifying advertisers/marketers and complainants of the Outcome of the Board's decision

Following the Board's determination, a draft case report is promptly prepared by the ASB and submitted to the Chair for approval. Following receipt of Chair approval, the ASB notifies the advertiser/marketer of the outcome and sends the advertiser/marketer a copy of the draft case report. This usually occurs between 8 and 10 business days of the Board decision. The advertiser/marketer is requested to advise the Board whether it agrees to modify or discontinue the advertising or marketing communication (**Advertiser Statement**) within 5 business days of the covering letter advising of the outcome and enclosing the draft case report. The advertiser/marketer is also advised of the opportunity to include an Advertiser's Statement in the case report.

If an advertising or marketing communication is found to breach a provision of the Codes and the advertiser/marketer does not respond to the opportunity to modify or discontinue the advertising or marketing communication within the allowed time frame, the Board will:

- If appropriate, refer the case report to the appropriate government agency;
- Include the advertiser/marketer's failure to respond in the case report;
- Forward the case report to media proprietors; and
- Post the case report on the ASB's website.

Publish case report

Within 10 business days of the Board's decision, all finalised case reports are made publicly available.

Review

If a complaint is upheld, the advertiser/marketer can ask for a review of the Board's decision. If a complaint is dismissed, the original complainant can ask for a review of

the Board's decision. There are 3 grounds on which a request for review may be made:

- Where new or additional relevant evidence which could have a significant bearing on the decision becomes available;
- Where there is a substantial flaw in the Board's decision; or
- Where there was a substantial flaw in the process by which the decision was made.

Any request for review should contain a full statement of the grounds, be addressed to the Independent Reviewer of ASB decisions c/o the ASB and be sent within 10 business days of the date of the ASB's letter of notification of a decision. The non-refundable cost of a review is \$500 for complainants, \$1000 for complainants who are Incorporated Associations and \$2000 for advertisers/marketers.

Requests for review will be considered by the Independent Reviewer. If the Independent Reviewer accepts the request for review, the Independent Reviewer will invite further comments on the review from the party who did not request the review.

Unless exceptional circumstances apply, within 10 business days of receipt of the request, the Independent Reviewer will make a recommendation (including reasons for the decision/recommendation and copies of any material relevant to the recommendation) to the Board, stating whether the decision should be reviewed, amended or confirmed. This recommendation will remain confidential until the Board's decision is published.

The Board must consider, but is not obliged to accept the Independent Reviewer's recommendation. Following reconsideration by the Board a new case report will be prepared. The Board's decision in the new case report is final and not capable of further review.

August 2009

The ABAC Scheme: ALCOHOL BEVERAGES ADVERTISING (AND PACKAGING) CODE

Preamble

Brewers Association of Australia and New Zealand Inc, the Distilled Spirits Industry Council of Australia Inc and the Winemakers Federation of Australia are committed to the goal that all advertisements for alcohol beverages produced for publication or broadcast in Australia other than point of sale material produced by alcohol beverage retailers, comply with the spirit and intent of this Code.

The Code is designed to ensure that alcohol advertising will be conducted in a manner which neither conflicts with nor detracts from the need for responsibility and moderation in liquor merchandising and consumption, and which does not encourage consumption by underage persons.

The conformity of an advertisement with this Code is to be assessed in terms of its probable impact upon a reasonable person within the class of persons to whom the advertisement is directed and other persons to whom the advertisement may be communicated, and taking its content as a whole.

Definitions

For the purpose of this Code –

adult means a person who is at least 18 years of age;

alcohol beverage includes any particular brand of alcohol beverage;

adolescent means a person aged 14-17 years inclusive;

Australian Alcohol Guidelines means the electronic document ‘Australian Guidelines to Reduce Health Risks from Drinking Alcohol (1-2)’ published by the National Health & Medical Research Council (“NHMRC”) as at 1st January 2010.

child means a person under 14 years of age; and

low alcohol beverage means an alcohol beverage which contains less than 3.8% alcohol/volume.

Standards to be applied

Part 1 – Standards to be applied to advertisements for alcohol beverages

Advertisements for alcohol beverages must –

- a) present a mature, balanced and responsible approach to the consumption of alcohol beverages and, accordingly –
 - i) must not encourage excessive consumption or abuse of alcohol;

- ii) must not encourage under-age drinking;
 - iii) must not promote offensive behaviour, or the excessive consumption, misuse or abuse of alcohol beverages;
 - iv) must only depict the responsible and moderate consumption of alcohol beverages;
- b) not have a strong or evident appeal to children or adolescents and, accordingly –
- i) adults appearing in advertisements must be over 25 years of age and be clearly depicted as adults;
 - ii) children and adolescents may only appear in advertisements in natural situations (eg family barbecue, licensed family restaurant) and where there is no implication that the depicted children and adolescents will consume or serve alcohol beverages; and
 - iii) adults under the age of 25 years may only appear as part of a natural crowd or background scene;
- c) not suggest that the consumption or presence of alcohol beverages may create or contribute to a significant change in mood or environment and, accordingly –
- i) must not depict the consumption or presence of alcohol beverages as a cause of or contributing to the achievement of personal, business, social, sporting, sexual or other success;
 - ii) if alcohol beverages are depicted as part of a celebration, must not imply or suggest that the beverage was a cause of or contributed to success or achievement; and
 - iii) must not suggest that the consumption of alcohol beverages offers any therapeutic benefit or is a necessary aid to relaxation;
- d) not depict any direct association between the consumption of alcohol beverages, other than low alcohol beverages, and the operation of a motor vehicle, boat or aircraft or the engagement in any sport (including swimming and water sports) or potentially hazardous activity and, accordingly –
- i) any depiction of the consumption of alcohol beverages in connection with the above activities must not be represented as having taken place before or during engagement of the activity in question and must in all cases portray safe practices; and
 - ii) any claim concerning safe consumption of low alcohol beverages must be demonstrably accurate;
- e) not challenge or dare people to drink or sample a particular alcohol beverage, other than low alcohol beverages, and must not contain any inducement to prefer an alcohol beverage because of its higher alcohol content; and
- f) comply with the Advertiser Code of Ethics adopted by the Australian Association of National Advertisers.
- g) not encourage consumption that is in excess of, or inconsistent with the Australian Alcohol Guidelines issued by the NHMRC.
- h) not refer to The ABAC Scheme, in whole or in part, in a manner which may bring the scheme into disrepute.

Internet Advertisements

The required standard for advertisements outlined in (1)(a) to (h) above applies to internet sites primarily intended for advertising developed by or for producers or importers of alcohol products available in Australia or that are reasonably expected to be made available in Australia, and to banner advertising of such products on third party sites.

Retail Advertisements

Advertisements which contain the name of a retailer or retailers offering alcohol beverages for sale, contain information about the price or prices at which those beverages are offered for sale, and which contain no other material relating to or concerning the attributes or virtues of alcohol beverages except –

- i) the brand name or names of alcohol beverages offered for sale;
- ii) the type and/or style of the alcohol beverages offered for sale;
- iii) a photographic or other reproduction of any container or containers (or part thereof, including any label) in which the alcohol beverages offered for sale are packaged;
- iv) the location and/or times at which the alcohol beverages are offered for sale; and
- v) such other matter as is reasonably necessary to enable potential purchasers to identify the retailer or retailers on whose behalf the advertisement is published,

must comply with the spirit and intent of the Code but are not subject to any process of prior clearance.

Promotion of alcohol at events

Alcohol beverage companies play a valuable role in supporting many community events and activities. It is acknowledged that they have the right to promote their products at events together with the right to promote their association with events and event participation. However, combined with these rights comes a range of responsibilities. Alcohol beverage companies do not seek to promote their products at events which are designed to clearly target people under the legal drinking age.

This protocol commits participating alcohol beverage companies to endeavour to ensure that:

- All promotional advertising in support of events does not clearly target underage persons and as such is consistent with the ABAC standard; and
- Alcohol beverages served at such events are served in keeping with guidelines, and where applicable legal requirements, for responsible serving of alcohol (which preclude the serving of alcohol to underage persons); and
- Promotional staff at events do not promote consumption patterns that are inconsistent with responsible consumption, as defined in the NHMRC Guidelines; and
- Promotional staff do not misstate the nature or alcohol content of a product; and
- Promotional staff at events are of legal drinking age; and

- Promotional materials distributed at events do not clearly target underage persons; and
- Promotional materials given away at or in association with events do not connect the consumption of alcohol with the achievement of sexual success; and
- Promotional materials given away at or in association with events do not link the consumption of alcohol with sporting, financial, professional or personal success; and
- Promotional materials given away at events do not encourage consumption patterns that are inconsistent with responsible consumption, as defined in the NHMRC Guidelines; and
- A condition of entry into giveaways promoted by alcohol companies at or in association with events is that participants must be over the legal drinking age; and Prizes given away in promotions associated with alcohol beverage companies will only be awarded to winners who are over the legal drinking age.

Third Parties

At many events alcohol companies limit their promotional commitments to specified activities. This protocol only applies to such conduct, activities or materials associated with events that are also associated with alcohol beverage companies.

Alcohol beverage companies will use every reasonable endeavour to ensure that where other parties control and/or undertake events, including activities surrounding those events, they comply with this protocol. However non-compliance by third parties will not place alcohol beverage companies in breach of this protocol.

Public Education

This protocol does not apply to or seek to restrict alcohol beverage companies from being associated with conduct, activity or materials that educate the public, including underage persons, about the consequences of alcohol consumption and the possible consequences of excessive or underage consumption.

Part 2 – Standards to be applied to the naming and packaging of alcohol beverages

1. The naming or packaging of alcohol beverages (which is also referred to within these standards as “product material”) must:

- a) present a mature, balanced and responsible approach to the consumption of alcohol beverages and, accordingly –
 - i) must not encourage excessive consumption or abuse of alcohol;
 - ii) must not encourage under-age drinking;
 - iii) must not promote offensive behaviour, or the excessive consumption, misuse or abuse of alcohol beverages;
 - iv) must only depict the responsible and moderate consumption of alcohol beverages;
- b) not have a strong or evident appeal to children or adolescents and, accordingly –
 - i) adults appearing in product material must be over 25 years of age and be clearly depicted as adults;

- ii) children and adolescents may only appear in product material in natural situations (e.g. family barbecue, licensed family restaurant) and where there is no implication that the depicted children and adolescents will consume or serve alcohol beverages; and
 - iii) adults under the age of 25 years may only appear as part of a natural crowd or background scene;
- c) not suggest that the consumption or presence of alcohol beverages may create or contribute to a significant change in mood or environment and, accordingly –
 - i) must not depict the consumption or presence of alcohol beverages as a cause of or contributing to the achievement of personal, business, social, sporting, sexual or other success;
 - ii) if alcohol beverages are depicted as part of a celebration, must not imply or suggest that the beverage was a cause of or contributed to success or achievement; and
 - iii) must not suggest that the consumption of alcohol beverages offers any therapeutic benefit or is a necessary aid to relaxation;
- d) not depict any direct association between the consumption of alcohol beverages, other than low alcohol beverages, and the operation of a motor vehicle, boat or aircraft or the engagement in any sport (including swimming and water sports) or potentially hazardous activity and, accordingly –
 - i) any depiction of the consumption of alcohol beverages in connection with the above activities must not be represented as having taken place before or during engagement of the activity in question and must in all cases portray safe practices; and
 - ii) any claim concerning safe consumption of low alcohol beverages must be demonstrably accurate;
- e) not challenge or dare people to drink or sample a particular alcohol beverage, other than low alcohol beverages, and must not contain any inducement to prefer an alcohol beverage because of its higher alcohol content; and
- f) not encourage consumption that is in excess of, or inconsistent with the Australian Alcohol Guidelines issued by the NHMRC.
- g) not refer to The ABAC Scheme, in whole or in part, in a manner which may bring the scheme into disrepute.

2. These standards, (Part 2 (1) (a)-(g)), apply to the naming and packaging of all alcohol beverages supplied in Australia, with the exception of the name of any product or a trademark which the supplier can demonstrate, to the satisfaction of the Adjudication Panel, had been supplied for bona fide retail sale in the ordinary course of business in a State or Territory of Australia prior to 31 October 2009.



FEDERAL CHAMBER OF AUTOMOTIVE INDUSTRIES

VOLUNTARY CODE OF PRACTICE FOR MOTOR VEHICLE ADVERTISING

EXPLANATORY NOTES

CONTEXT

The Voluntary Code of Practice for Motor Vehicle Advertising (the Code) has been instituted by the Federal Chamber of Automotive Industries (FCAI) as a means of industry self-regulation of motor vehicle advertising in Australia. The primary purpose of the Code is to provide guidance to advertisers in relation to appropriate standards for the portrayal of images, themes and messages relating to road safety.

Vehicle occupant protection and road safety are primary concerns for the automotive industry in the design and operation of all motor vehicles supplied to the Australian market. FCAI endorses the National Road Safety Strategy and acknowledges the importance of increased road safety awareness in the Australian community and fully supports the efforts of all relevant Commonwealth, State and Territory authorities to secure this outcome.

DATE OF COMMENCEMENT

This revised version of the Code is to be applied to all advertisements for motor vehicles published or broadcast in Australia from 1 July 2004.

SCOPE AND COVERAGE OF THE CODE

The Code is to be applied to all forms and mediums for advertising of motor vehicles in Australia. This includes television, radio, print media, cinema, billboards and Australian domain internet websites.

GUIDANCE TO ADVERTISERS

The FCAI supports a responsible approach to advertising for motor vehicles. FCAI asks advertisers to be mindful of the importance of road safety and to ensure that advertising for motor vehicles does not contradict road safety messages or undermine efforts to achieve improved road safety outcomes in Australia.

Advertisers should ensure that advertisements do not depict, encourage or condone dangerous, illegal, aggressive or reckless driving. Moreover, advertisers need to be

mindful that excessive speed is a major cause of death and injury in road crashes and accordingly should avoid explicitly or implicitly drawing attention to the acceleration or speed capabilities of a vehicle.

FCAI acknowledges that advertisers may make legitimate use of fantasy, humour and self-evident exaggeration in creative ways in advertising for motor vehicles. However, such devices should not be used in any way to contradict, circumvent or undermine the provisions of the Code.

In particular, it is noted that use of disclaimers indicating that a particular scene or advertisement was produced under controlled conditions; using expert drivers; that viewers should not attempt to emulate the driving depicted; or expressed in other similar terms, should be avoided. Such disclaimers cannot in any way be used to justify the inclusion of material which otherwise does not comply with the provisions of the Code.

Advertisers should avoid references to the speed or acceleration capabilities of a motor vehicle (for example, "0-100 km/h in 6.5 seconds"). Other factual references to the capabilities of the motor vehicle (for example, cylinder capacity, kilowatt power of the engine, or maximum torque generated) are acceptable, provided that they are presented in a manner that is consistent with the provisions of the Code.

The Code contains a specific clause (clause 3) relating to the use of motor sport, simulated motor sport and similar vehicle testing or proving activities in advertising. It is acknowledged that motor sport plays a crucial role in brand promotion and the development and testing of crucial technologies, many of which result in safer vehicles. Accordingly the Code seeks to ensure that advertisers can continue to legitimately make use of motor sport in advertising, provided that care is taken to ensure that depictions of speed, racing and other forms of competitive driving are clearly identified as taking place in this context. FCAI urges also advertisers to avoid any suggestion that depictions of such vehicles participating in motor sport, or undertaking other forms of competitive driving are in any way associated with normal on-road use of motor vehicles.

In addition, it is noted that the Code contains a clause (clause 4) relating to the depiction of off-road vehicles which have been designed with special features for off road operation. This clause provides some limited flexibility allowing advertisers to legitimately demonstrate the capabilities and performance of such vehicles in an off-road context. In so doing however, care should be taken to ensure that all other provisions and the underlying objectives of the Code are still adhered to. In particular, advertisers should be mindful to ensure that advertisements for such vehicles do not involve the depiction of 'excessive' or 'unsafe' speed. Equally, advertisers should avoid portrayal of images of off-road driving which could otherwise be construed as being unsafe.

In interpreting and applying the Code, FCAI asks that advertisers take into account both the explicit and implicit messages that are conveyed by an advertisement. Advertisers should make every effort to ensure that advertisements not only comply with the formal provisions of the Code but are also consistent with the objectives and guidelines expressed in these Explanatory Notes which accompany the Code.

COMPLIANCE AND ADMINISTRATION

Assessment of compliance with the Code is to be administered by the Advertising Standards Board (ASB). The ASB will review all public complaints made against advertisements for motor vehicles under the terms of the Code.

In administering the Code, the ASB is to give relevant advertisers the opportunity to present such evidence as they deem appropriate in defence of an advertisement under review, prior to making any determination in relation to its consistency, or otherwise, with the provisions of the Code.

The ASB will ensure that all complaints are considered in a timely fashion. As a general rule the panel should finalise its determination within one calendar month of a complaint having been received. Where necessary the ASB may be required to meet more frequently to ensure the timely consideration of complaints.

The ASB will arrange prompt publication of the reasons for all decisions on its website. An annual report on the outcomes of the complaint process will be compiled and published.

Companies may also seek an opinion, from the ASB, on whether the content of a planned advertisement meets the Code, prior to finalisation and release of the advertisement.

FCAI and ASB will work to increase public awareness of the Code and the complaints process.

CONSULTATION

In developing the Code, FCAI has undertaken an extensive process of consultation with a wide range of stakeholders, including representatives of the following:

- (a) The Federal Government and its agencies (including the Australian Transport Safety Bureau);
- (b) Relevant State and Territory Government authorities;
- (c) The National Road Safety Strategy Panel (which comprises representatives of police services, road safety authorities, motoring organisations and industry groups);
- (d) The Australian Automobile Association;
- (e) The Australian Association of National Advertisers; and
- (f) The Advertising Standards Bureau Limited.

REVIEW OF THE CODE

FCAI will undertake a review of the current version of the Code, (in consultation with all parties listed above) commencing in December 2005. The process of this review should be completed by end-March 2006.

CODE OF PRACTICE FOR MOTOR VEHICLE ADVERTISING

1. DEFINITIONS

In this Code, the following definitions apply:

- (a) *Advertisement*: means matter which is published or broadcast in all of Australia, or in a substantial section of Australia, for payment or other valuable consideration and which draws the attention of the public, or a segment of it, to a product, service, person, organisation or line of conduct in a manner calculated to promote or oppose directly or indirectly that product, service, person, organisation or line of conduct.
- (b) *Off-road vehicle*: means a passenger vehicle having up to 9 seating positions including that of the driver having been designed with special features for off-road operation, consistent with the requirements of the definition for such a vehicle as provided in the Australian Design Rules (MC category). An off-road vehicle will normally have 4 wheel drive.
- (c) *Motor sport*: means racing, rallying, or other competitive activities involving motor vehicles of a type for which a permit would normally be available under the National Competition Rules of the Confederation of Australian Motor Sport, or other recognised organising body.
- (d) *Motor vehicle*: means passenger vehicle; motorcycle; light commercial vehicle and off-road vehicle.
- (e) *Road*: means an area that is open to or used by the public and is developed for, or has as one of its main uses, the driving or riding of motor vehicles.
- (f) *Road-related area*: means an area that divides a road; a footpath or nature strip adjacent to a road; an area that is not a road and is open to the public and designated for use by cyclists or animals; an area that is not a road and that is open to or used by the public for driving, riding or parking motor vehicles.

2. GENERAL PROVISIONS

Advertisers should ensure that advertisements for motor vehicles do not portray any of the following:

- (a) Unsafe driving, including reckless and menacing driving that would breach any Commonwealth law or the law of any State or Territory in the relevant jurisdiction in which the advertisement is published or broadcast dealing with road safety or traffic regulation, if such driving were to occur on a road or road-related area, regardless of where the driving is depicted in the advertisement.

[*Examples*: Vehicles travelling at excessive speed; sudden, extreme and unnecessary changes in direction and speed of a motor vehicle; deliberately and unnecessarily setting motor vehicles on a collision course; or the apparent and deliberate loss of control of a moving motor vehicle.]

- (b) People driving at speeds in excess of speed limits in the relevant jurisdiction in Australia in which the advertisement is published or broadcast.
- (c) Driving practices or other actions which would, if they were to take place on a road or road-related area, breach any Commonwealth law or the law of any State or Territory in the relevant jurisdiction in which the advertisement is published or broadcast directly dealing with road safety or traffic regulation.

[*Examples:* Illegal use of hand-held mobile phones or not wearing seatbelts in a moving motor vehicle. Motorcyclists or their passengers not wearing an approved safety helmet, while the motorcycle is in motion.]

- (d) People driving while being apparently fatigued, or under the influence of drugs or alcohol to the extent that such driving practices breach any Commonwealth law or the law of any State or Territory in the relevant jurisdiction in which the advertisement is published or broadcast dealing directly with road safety or traffic regulation.
- (e) Deliberate and significant environmental damage, particularly in advertising for off-road vehicles.

3. USE OF MOTOR SPORT IN ADVERTISING

Without limiting the general application of clause 2, advertisers may make use of scenes of motor sport; simulated motor sport; and vehicle-testing or proving in advertising, subject to the following:

- (a) Such scenes should be clearly identifiable as part of an organised motor sport activity, or testing or proving activity, of a type for which a permit would normally be available in Australia.
- (b) Any racing or competing vehicles depicted in motor sport scenes should be in clearly identifiable racing livery.

4. DEPICTION OF OFF-ROAD VEHICLES

An advertisement may legitimately depict the capabilities and performance of an off-road vehicle travelling over loose or unsealed surfaces, or uneven terrain, not forming part of a road or road related area. Such advertisements should not portray unsafe driving and vehicles must not travel at a speed which would contravene the laws of the State or Territory in which the advertisement is published or broadcast, were such driving to occur on a road or road related area.



7 February 2011
Our Ref: 6M399

TO WHOM IT MAY CONCERN

Eye Corp Australia (EYE) has had a number of outdoor advertising signs under licence to the Roads and Traffic Authority of NSW (RTA) since 2006 in locations throughout metropolitan Sydney. The RTA licence includes a restriction on advertising containing reference to alcohol, tobacco, political, racial, religious, pornographic, gratuitous violence, any other products which are unsuitable in the Licensor's reasonable opinion or any advertisement that may create a traffic hazard.

EYE have made every endeavour to ensure that content is suitable for RTA signs and on the few occasions when unsuitable advertising has been posted in error, the advertising has been removed with 48 hours. The RTA confirms that EYE have complied with the spirit of the licence in relation to restriction of content.

For any inquiries in relation to this matter please contact Belinda Ward on 85884336.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Belinda Ward', written over a horizontal line.

BELINDA WARD
Commercial Manager, Outdoor Advertising

Westfield BRANDSPACE

8th February 2011

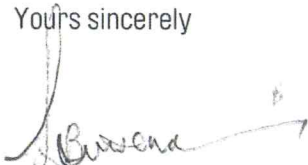
To whom it may concern

This is to confirm that Eye has been our media sales partner for ten years and is compliant with our internal advertising content policies.

Advertising content guidelines and restrictions are documented in our licence agreements with Eye and this method has been used successfully throughout the period of the association between the two parties.

If you have any further queries please do not hesitate to contact me.

Yours sincerely



Laurent Wiseman

Commercial and Media Alliances Manager
Westfield Brandspace

MEMO:

TO: STEVE MCCARTHY

DATE: THU 3RD FEBRUARY 2011

INTERNAL CREATIVE APPROVAL PROCESS

1. Lo res PDFs of clients creative is sent to production@adshel.com.au by either the creative or media agency for internal copy approval
2. Based on Adshels Prohibition Guidelines (attached), creative/s are reviewed by the production team
3. Where creative is approved, production emails confirming that the creative is approved to print.
4. In the event a creative's suitability is not clear-cut and subject to interpretation, production
 - a. refer it to our Commercial Directors for approval,
 - b. refer it to our CEO for approval, and/or
 - c. refer it to contract partners for input and approval
5. If any of the parties reject the creatives, production request feedback from them regarding the offensive content.
6. Production then communicate the outcome to the media/creative agency, providing them the feedback and any suggestions on improvements that could be made
7. Where the tentative copy is approved and the creative installed on the street, if Adshel receives reasonable complaints, commercial issue instructions for the campaign to be removed from the offending area(s) or completely within 24 hours.
8. Areas or zones are also identified that may be sensitive to certain types of advertising content – alcohol around schools, undergarments around churches, etc (outlined in the attached)
9. In the case of alcohol clients, it is the responsibility of the creative agency to obtain copy approval from the Alcohol Advertising Pre-Vetting Service (AAPS) before submitting the copy to Adshel for internal approval.

3. Prohibition Guidelines

Offensive Material

Generally advertising subject matter that is considered offensive, indecent or confrontational is not permitted for display on Adshel's media.

Prohibited Material

The following types of advertising are specifically precluded from display on Adshel's media:

- Smoking and/or Tobacco products.
- Sexually explicit, either nudity or the portrayal of a sexual activity.
- Racially based advertising i.e. inappropriate portrayal of race.
- Sexist based advertising i.e. inappropriate portrayal of gender.
- Religious based advertising i.e. religious subject matter, religious messages and religious imagery.
- Gratuitous violence based advertising i.e. violent subject matter, violent messages and violent imagery.
- Advertising resembling road traffic signs i.e. stop signs, traffic lights; road detour signs etc.
- Political messages or content including trade unions e.g. 'Vote 1 Labor'.
This does not include any government sponsored message that is informing the community for example Work Cover safety, safe driving, national security, non political community events etc.
- Any information which is misleading or deceptive, or likely to mislead or deceive i.e. falsely representing price, availability, characteristic, standard, quality, benefit, approval, affiliation or endorsement.
- Any information (including tag-lines, graphics, symbols or logos) which infringes the trademark of another organisation e.g. the Nike 'swoosh', the Coke bottle, the Google name, the BMW badge.
- Defamatory subject matter i.e. anything which is likely to harm the reputation of an individual or organisation.

NB. All material must be provided to Adshel for content approval prior to posting.
Failure to provide material prior to posting may result in loss of display.
Any questionable material that may be subject to any of the prohibitions listed above must be provided to the Commercial department for approval prior to posting.
Any advertising containing material that is deemed to be using or promoting graffiti must be provided to the Commercial department for approval prior to posting.
Any advertising containing material that is deemed to be promoting alteration or damage to the shelters must be provided to the Commercial department for approval prior to posting.

Exceptions:

1. Should a complaint be reported related to any advertising, the associated site will have the appropriate advertiser category prohibition entered irrespective of whether it passes the above criteria e.g. Lingerie advertised outside of a school.

Alcohol Prohibitions.

All alcohol related advertising must be posted a minimum of 300m from schools.

Exceptions:

1. Diageo's policy is to place alcohol related advertising a minimum of 500m from schools.
2. There is no 300m preclusion when the sites are on Adshel's Rail Network.
3. There is no 300m preclusion when the sites are within Adshel's Shopping Centre network provided they that the shopping centre doesn't have a specific alcohol preclusion policy.
4. Where there are any specific council agreements restricting or prohibiting the advertising of alcohol:
 1. Cairns, Townsville and all NQ
 2. Lane Cove
 3. Perth CBD which is restricted to 10% of sites.
5. Should a complaint be reported related to the advertising of alcohol, then the associated site will be put on Adshel's prohibition of alcohol list irrespective of any of the exceptions listed above.

Advertising Standards.

Certain authorities e.g. The DOI in Melbourne which covers 22 councils will also require Adshel to abide by and adhere to the following regulations:

1. The AANA Advertiser Code of Ethics;
2. The AANA Food and Beverages Advertising & Marketing Communications Code;
3. The AANA Code for Advertising to Children; and
4. Federal Chamber of Automotive Industries' Voluntary Code of Practice for Motor Vehicle Advertising

Advertisement content: Policies and processes

oOh!media takes its responsibility to the community it operates in seriously.

As such, oOh! is not only committed to ensuring advertising it displays across all its formats meets with all relevant advertising codes in Australia, but has its own code in place to ensure advertising it carries does not create road safety issues or offence to the community.

Policies:

Any advertising that is run on oOh!media's sites:

MUST

- Comply with all applicable Commonwealth and or State or Territory legislation.
- Comply with all relevant advertising industry codes of practice, including:
 - Australian Association of National Advertisers (AANA) *Code of Ethics*.
 - AANA *Code for Advertising and Marketing Communications for Children*.
 - AANA *Food and Beverages Advertising and Marketing Communications Code*.
 - The *Alcohol Beverages Advertising Code (ABAC)*.
 - The *Alcohol Advertising Guidelines*.
 - The Federal Chamber of Automotive Industries' *Voluntary Code of Practice for Motor Vehicle Advertising*.
 - The *Therapeutic Goods Advertising Code*.
 - The *Weight Management Industry Code of Practice*.
- Comply with special conditions for any advertising on its oOhroad! and oOhmobile! Properties.
- Comply with the contractual agreements oOh!media has with individual landholders, which may include the prohibition of advertising promoting specific products, services or messages.
- Only promote a legal product or service.

MUST NOT:

- Depict violence.
- Be explicit, obscene or offensive.
- Be misleading or deceptive.
- Discriminate or vilify any person (such as race, ethnicity, nationality, sex, age, sexual preference, religion or disability).
- Contain any swear words.
- Depict smoking or cigarettes anywhere

In addition to the above, special conditionals are in place for Advertising of alcohol and for any advertising on oOh!'s road and mobile formats.

ALCOHOL ADVERTISING

MUST

- Be approved by the Alcohol Advertising Pre-Vetting system (AAPS)
- Meet the Outdoor Media Association's (OMA) Alcohol Advertising Guidelines that limit the advertising of alcohol products on fixed signs located near a primary or secondary school.

oOhroad! & oOhmobile! Advertising

MUST

- Contain text of no less than 150mm in font size, to ensure it is legible at a safe distance.

MUST NOT

- Carry traffic lights or road and safety sign impersonations.
- Include traffic safety words such as 'Stop', 'Halt' or 'Give Way'.
- Have flashing lights or reflectors.
- Contain moving parts.

Processes:

All advertising for display on oOh!media sites must be submitted two weeks before display so that it can be assessed against the code and subjected to oOh!media's internal review process if required.

Internal review process

1. All advertising creative is reviewed against oOh!media's policies.
2. Any advertisement that is in clear breach of the policies will be rejected with the advertiser being informed as to why the advertising has been rejected.
3. In the event that there is no clear cut decision on whether the advertisement meets the intent of the policies, oOh!media will conduct an internal review involving a minimum 20 employees of varying ages and both genders..
4. If no majority opinion can be reached the review is extended to family and friends of oOh!media employees as well as third party contractors and suppliers from across Australia of varying ages and both genders. Note: In such case, a record should be kept of all individuals consulted.

Complaint process

1. oOh!media will investigate any complaint received from members of the public and will also refer any complaint to the Advertising Standards Board (ASB) and the relevant advertiser.
2. If oOh!media agrees that any advertisement contravenes its code, it will remove an advertisement as soon as reasonably possible.
3. If the ASB requests the removal of an advertisement, oOh!media will do so as soon as reasonably possible.
4. If property owners, shopping centres or government authority determines an advertisement has breached agreed contractual agreements, oOh!media will remove an advertisement as soon as reasonably possible.

Content Disclaimer:

These Advertising Content Guidelines (**Guidelines**) are issued to provide practical guidance for our advertiser. They do not constitute legal advice and as such advertisers/agencies are encouraged to seek professional and or legal advice in respect of any advertising they may submit to oOh!media.

The advertisers/agencies remain solely responsible and liable for the legality of their advertisements.

The information contained in these Guidelines is liable to change, and although we attempt to ensure that the content is current and correct, we do not guarantee its currency as there may be delays, errors or omissions.

oOh!media reserves the right to make modifications of any nature to the information contained in these Guidelines.

APPENDIX 18

Scenarios of advertising industry deadlines

1. Creative work on hold until product completed

A computer technology company planned to release a new computer in 6 months time. In preparation, the company booked outdoor advertising spaces on billboards and street furniture, for a campaign to be run in 6 months time. However the design of the advertisement could not be completed until the new computer was produced and available to be photographed. There were delays in the computer production so the design could not be completed until shortly before it was due to be installed.

2. Urgent competitor reaction

A supermarket launched an unexpected price slash campaign, and its direct competitor wanted to launch a campaign to compete against it. The direct competitor wanted the campaign to be designed, printed and installed as quickly as possible.

3. Charity/fundraising initiatives

Following the Queensland floods, the Government and supermarket brands launched fund raising campaigns immediately, which required design, printing and installation of advertisements in a short timeframe.

4. Running a campaign at short notice

A soft-drink company became aware that the following week was going to be a heatwave in Sydney. The company decided to run an outdoor advertising campaign for their drink during the week of the heatwave. This required booking the outdoor advertising sites, developing the advertisement creative work and installing the advertisements by the start of the following week.