



ADVERTISING FEDERATION OF AUSTRALIA

**ADVERTISING FEDERATION OF AUSTRALIA
(AFA)**

SUBMISSION TO THE

**COMMUNITY AFFAIRS COMMITTEE OF THE AUSTRALIAN
SENATE**

ALCOHOL TOLL REDUCTION BILL 2007

March 2008

Background

The Advertising Federation of Australia (AFA) is pleased to present this submission to the Community Affairs Committee of the Australian Senate on the Alcohol Toll Reduction Bill 2007.

Formed in 1975, the AFA is the peak body representing companies in advertising and marketing communications. Members include multinational advertising agencies and small and medium independent businesses providing creative and strategic communications services to Australian and multinational businesses. Our members, of which there are 187 Australia-wide, are responsible for producing around 80% of the communications programs developed for television and other media in Australia.

A key role of the AFA is to maintain and promote professional standards in advertising, to encourage responsible advertising and support effective self-regulation. To this end, the AFA manages an accreditation program for agencies that requires them to commit to a structured program of professional development for staff and compliance with advertising laws and codes. The AFA Accreditation program is the first of its kind in the world.

In the context of alcohol regulation, the AFA and its membership support compliance to regulations governing the advertising of alcohol through the Australian Association of National Advertisers (AANA) Code of Ethics, the Alcohol Advertising Pre-vetting scheme, Commercial Television Industry Codes of Practise, Commercial Radio Australia's Codes of Practise and Guidelines, the Outdoor Advertising Association of Australia's Code of Ethics and most importantly the Alcohol Beverages Association Code Scheme (ABAC).

The AFA has a representative on the Management Committee of ABAC and is deeply committed to the principle of best practise industry self-regulation and co-regulation.

Alcohol Toll Reduction Bill 2007 – Scope of the Bill:

The Bill aims to create a culture of responsible drinking and facilitate a reduction in the toll resulting from the excessive consumption of alcohol.

In order to achieve this objective the Bill proposes that –

- Alcohol products are labelled with health information
- Restrict TV and radio alcohol advertising to after 9pm and before 5 am to stop alcohol being marketed to young people
- Require all alcohol advertisements to be pre-approved by an Australian Communications Media Authority (ACMA) division containing experts from the health industry, drug and alcohol support services and motor vehicle accident trauma support services
- Ban alcohol advertisements that are aimed at children or which link drinking to personal, business, social, sporting, sexual or other success.

Scope of AFA Response:

The AFA strongly supports the objective of the Bill and the articulation of this strategy through the National Alcohol Strategy 2006-2009.

However, the AFA is not convinced that the tactics outlined in this Bill will achieve its objective and believes the proposals within the Bill will in reality impose –

- Unnecessary and duplication of restrictions on the advertising of alcohol
- Unnecessary labelling provisions
- Create a pre-approvals system that is outside recognised international best practise for the regulation of advertising.
- Unnecessary hardship on national sporting codes

And most importantly we believe the Bill will not achieve the objective of creating a culture of responsible drinking and reducing the harm that results from excessive alcohol consumption.

For the purposes of this response the AFA will focus predominantly on two facets of the Bill - components that the AFA believes will have a particularly negative impact on the communications industry and our membership.

They are as follows –

1. **Best Practise** – will the proposals of the Bill achieve industry best practise for the regulation of alcohol?
2. **Pre-Approval Proposals** – can the ACMA proposal work and will it be more effective than the current ABAC system?

1. Best Practise:

- **Radio and Television to be Penalised Without Outcome Gains:**

The focus on radio and television in the Bill is contrary to best practise in the regulation of sensitive products such as alcohol – or any product or service for that matter.

Rules should apply to all media so that there is a level playing field.

The Bill as proposed fails to address marketing communications efforts in media other than radio and television. This will do nothing more than swill advertising spend necessarily away from those media into other channels that are not restricted in the same way.

It would be anticipated that marketing spend on alcohol would remain the same, but radio and television spend would form a smaller percentage of the overall investment in alcohol advertising.

This proposal will do nothing more than shuffle advertising spend on alcohol at the expense of the radio and television media.

The Bill will in effect create two different standards – one for radio and television and another for all other media.

- **ABAC/ASB Codes Already Enforce Stricter Guidelines**

The imposition of an additional regulatory framework on the marketing of alcohol products on radio and television makes no sense.

The measures being proposed are more permissive than is currently the case and would create an unwieldy duplication of regulatory function.

Currently the ABAC code includes requirements that advertisements for alcohol beverages must:

- Not encourage excessive drinking
- Not encourage under-age drinking
- Only depict the responsible and moderate consumption of alcohol beverages
- 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

Implicit in this Bill is a prejudice that the consumer cannot possibly be well served because the current Codes governing the regulation of advertising standards are managed by the AANA (Code of Ethics within the ASB framework) and alcohol industry associations (ABAC).

However this prejudice is unfounded – like most prejudices.

Australia already has a co-regulatory system in place –a partnership between Government and industry. The peak regulator is the Advertising Standards Bureau (ASB) and other organisations and agencies are stakeholders – including ACMA and the Government. The Government in fact were partners with the ASB and the AANA in the development of the current alcohol advertising code.

In addition, a Federal Government Health official has a seat by right around the table of the Management Committee of the ABAC Scheme.

Furthermore, the media channels being singled out for additional restriction under this Bill, radio and television, already work within their own medium- specific codes – in addition to the two existing regulatory code frameworks for the advertising of alcohol.

These additional code frameworks will, I am sure, be highlighted by the media in their own submissions, but in broad terms the Commercial Radio and Commercial Television Industry Codes already contain provisions which mandate strict guidelines around broadcast times, appropriate audiences, complaints processes and in the case of radio, a specific clause to prohibit a licensee broadcasting programs and advertisements that “present as desirable the misuse of alcoholic liquor.”

If there was a genuine appetite for change to the current co-regulatory scheme the AFA suggests that rather than create a parallel and conflicting regulatory framework, Government would be advised to engage in this debate around the table of the bodies of the system it currently supports.

The alternative would be, as the Bill promotes, the creation of a truly unique and truly flawed regulatory framework with one system for the advertising of alcohol products on radio and television and another for all other media.

Outcome? – duplication, confusion and unfairness – with no measurable improvement in the national culture of responsible drinking.

2. Pre-Approval Process

- **Expertise Issues with ACMA Pre-Vetting**

The nature of marketing communications requires that the pre-approval process for advertisements is timely and absolutely confidential.

The Bill proposes that ACMA establish a division that will pre-approve alcohol advertisements. Also, this Division will include associate members chosen from different sectors. This will not work.

Pre-approval of advertisements is a very specialised activity that requires considerable expertise and knowledge of advertising, a complete understanding of advertising regulation, code interpretation and precedents.

This is not a job for ‘associates.’

- **Timeliness Issues with ACMA Pre-Vetting**

Best practise pre-approval sees the pre-approvals officer involved in the concept stage of an advertisement and in all stages along the road to publication or broadcast.

This requires the absolute commitment and focus of the pre-approvals officer to the job of getting the advertisement ‘on-air’ or in print within a time frame that is acceptable to the

advertiser – provided of course due process has occurred and the advertisement, in the expert judgement of the pre-approvals officer, meets all the code requirements.

It is unlikely that a structure for pre-approvals within ACMA would be focussed on timeliness - unlike the current structure that is under-pinned by a self-regulatory ethic.

Implicit in any best practise pre-approvals process are tight deadlines requiring immediate answers.

- **Commercial Issues with ACMA Pre-Vetting**

A significant problem with an ACMA pre-vetting system is that agencies on behalf of their clients would not trust ACMA in a pre-vetting role.

In a highly competitive industry it is inappropriate for a government agency to be at the centre of marketing communications plans for, in this case, producers of alcohol products – but in reality we would suggest that this unease would be experienced by the advertiser of any product.

General Comments:

In this submission the AFA has chosen not to deal with the issue of health information labelling of alcohol products. We believe alcohol producers are likely to have effectively canvassed this issue in their submissions to the Committee.

However, this is an issue we as an organisation has followed closely. We believe there is no evidence to suggest that warning labels will have any impact on the alcohol harm toll.

This is a view shared by the Australia New Zealand Food Authority whose jurisdiction labelling falls under. ANZFA's position is that there are strategies or interventions already identified as being effective – such as controlling price, availability, identifying and targeting 'at risk' groups with health campaigns aimed at reducing alcohol-related harm and devotion of resources to the discouragement of drink-driving.

ANFA has also expressed the view that scientific evidence for the effectiveness of warning statements shows that while warning labels increase awareness, this does not necessarily lead to the desired behavioural changes in 'at-risk' groups.

Recommendations:

The AFA, whilst supporting the objectives of the Bill, does not support any of the measures by which the Bill intends to achieve those objectives.

We believe first and foremost that the provisions of the Bill will make no difference to the policy goal of reducing alcohol harm.

- Health labels on alcohol products won't work – there is no evidence to support the view that they will
- There is no evidence to suggest that restrictions on radio and television advertising of alcohol reduce harm. Advertising of alcohol products drives market share not consumption – alcohol per head of population figures versus marketing spend figures support this view. Also, such restrictions will simply drive marketing spend

to other media, unfairly and illogically at the expense of radio and television broadcasters.

- Pre-approval by the Government will not work. This is job that needs to be done by experts in this field.
- Restrictions on how alcohol can be portrayed are already in place. No new system is needed and certainly not one that is more permissive, as suggested.

It is the view of the AFA that political events and dynamics have effectively over-taken this largely knee-jerk response to the issue of teenage binge drinking and the policy outcome of reducing the toll from alcohol abuse.

The focus of Federal Government thinking on this issue since the arrival of the ALP to the Treasury benches is on substantive behavioural change to curb alcohol harm – rather than to rely on politically seductive attempts to restrict advertising and blame it on sports codes and radio and television broadcasters.

The policy debate has moved on. If this Bill ever did have its day, then that day has certainly passed.

The March announcement from Prime Minister Kevin Rudd of a \$50 million programme to tackle youth binge drinking means the debate has turned the corner from an attack on advertising and the electronic media to a true behavioural change commitment.

That package intends targeting the culture of Australian drinking by –

- early intervention and diversion programs designed to identify individual youngsters drinking at risky levels and help them change their behaviour;
- projects in local community organisations such as sporting clubs to educate young people on the risks of binge drinking; and
- A \$20 million, two-year television, radio and internet advertising campaign.

In the words of the President of the Public Health Association, Professor Mike Daube, on the day of the announcement -

"It is time for appropriate action to protect the health and social well-being of our young people. This program ticks the most important boxes, and will make a real difference."

AFA contact details:

ADVERTISING FEDERATION OF AUSTRALIA LTD ABN 79001 286 362
Level 11, 89 York Street, Sydney NSW 2000
PO Box Q1389 QVB Post Office Sydney 1230
TEL: (02) 8297 3800 Fax: (02) 8297 3801 Email: afamail@afa.org.au
www.afa.org.au