



**SUBMISSION**

**TO**

*Australia's*  
**Preventive Health Taskforce**

**ON**

***Australia: the healthiest country by 2020***

December 31 2008

## ***Statement of Purpose***

On behalf of the advertising, marketing and media members of the Australian Association of National Advertisers, this short submission supports the intent of the Preventative Health Taskforce discussion document '*Australia: the healthiest country by 2020,*' but cautions against some of its assumptions and draft recommendations.

Particularly, this submission:

- ***Counsels against promotion of the misconception that Australia is experiencing an obesity 'epidemic,' when research part-funded by the Federal Government shows no significant increase in childhood obesity over the past 10 years alongside emerging evidence that the trend in overweight children may have at least been arrested by actions already taken.***
- ***Invites consideration of the employment of advertising as a primary means of promoting interest and action in relation to personal health and welfare across all sectors of Australian society.***
- ***Warns against actions against advertising that new research suggests may have opposite effects to those intended.***

This submission also references ...

- **A recognition of the paradigm shift now underway in the ways Australians generally—and children particularly—are interacting with and to an as yet un-measured extent being influenced by domestic entertainment and information services (while the reduced exposure to commercial television advertising seen as desirable by the Preventative Health Taskforce is already occurring);**
- **A recognition of industry self-regulation of commercial communication as the most effective means of protecting and promoting responsible standards in the governance of advertising across all media;**
- **A recognition that the advertising, marketing & media industry has demonstrated a readiness, ability and willingness to assist the Preventative Health Taskforce meet the objective of making Australia the healthiest country by 2020—and an assurance that it will continue to do so.**

***As the peak advertising industry body whose national membership provides the driving force of commercial media and related communications channels contributing to an annual \$30 billion in promotional expenditures and a significant stimulus to broader economic activity, the AANA offers its assistance and industry influence in support of the Preventative Health Taskforce in meeting its community health objectives.***

**Scott McClellan  
Chief Executive Officer  
Australian Association of National Advertisers**

## 1. OVERVIEW

**Acknowledging a confusion of information in political precincts as well as the public domain about the social and economic impacts of advertising in Australia, this submission sets out to support the Preventative Health Taskforce with a level of understanding appropriate to the commercial communication-related considerations indicated in its discussion paper: *Australia: the healthiest country by 2020*.**

- 1.1. This submission to the Preventative Health Taskforce has been prepared on behalf of the advertising, marketing and media membership of the peak industry body, the Australian Association of National Advertisers, representing a commercial communications industry currently contributing some \$30 billion per annum to the Australian economy.
- 1.2. From an unparalleled base of domestic experience and expertise in the business of community communication, this submission has been further assisted by the commissioning of Australian research and by access to overseas resources obtained through AANA representation on the Board and Executive Committee of the World Federation of Advertisers.
  - 1.2.1. **Through the AANA connection to the international community of professional advertisers, the Preventative Health Taskforce is offered access to the advice and assistance of a network comprising 55 national advertiser associations on five continents, representing more than 10,000 businesses whose expertise and influence is embodied in 90% of global advertising and marketing communications investments of over \$700 billion a year.**
- 1.3. This submission also draws upon qualitative as well as quantitative research findings, along with published opinions of noted Australian academic specialists and respected world authorities.
  - 1.3.1. The AANA notes with some concern the misapplication of medical terminology in the Preventative Health Taskforce Discussion Paper statement that: *“One of the greatest public health challenges confronting Australia and many other industrialised countries is the obesity epidemic.”*
  - 1.3.2. The unfortunate misuse of the descriptor ‘epidemic’ aside, the statement is in contradiction to research funded in substantial part by the Federal Government showing no significant increase in the incidence of childhood obesity over the past decade<sup>1</sup>.
- 1.4. While accepting that Australia is experiencing a statistical rise in the incidence of overweight children, attributable to a wide range of socio-economic factors, the AANA believes that the incorrect use (particularly by an official health-related body) of such terminology as ‘epidemic’ and ‘pandemic’ can only contribute to the fear mongering that has characterised anti-advertising agitation for action that is not only unwarranted, but could have unintended and unfortunate health and welfare as well as economic consequences.
  - 1.4.1. **According to an Australian replication of an international study<sup>2</sup>, due for publication in January 2009, the unintended consequences of unwarranted action against advertising of foods & beverages and alcohol could even include *increases* rather than *decreases* in consumption.**

**Because of the significance of this new research, it is being provided in full to the Preventative Health Taskforce as an annexure to this submission.**

<sup>1</sup> National Children’s Nutrition & Physical Activity Survey, 2007/08

<sup>2</sup> Frontier Economics, 2008/09

## 2. Advertising to Children

- 2.1. Responding to anti-advertising activist promotion of many less informed views on the relationship between advertising and social problems such as childhood obesity and teenage binge drinking, this submission references the relative weaknesses as well as strengths of advertising both generally and specifically as a channel of communication to young people.
- 2.2. With commercial television the primary focus of forces seeing 'TV commercials' as the cause of many social ills, this submission also acknowledges the challenges for official assessment of the influence of advertising under circumstances often bordering on hysteria.
  - 2.2.1. As reasoned by leading Australian academic Catharine Lumby, Associate Professor of Media Studies at Sydney University and a member of the Australia's Advertising Standards Board: ***"It's very difficult to have rational discussions about television because an emotive script condemning it has been so thoroughly written. TV has become a symbol of all that's allegedly wrong with the modern world. It has come to embody our fears that families no longer communicate properly, that we only work to fill up our lives with meaningless consumer goods and that we're hooked on instant gratification. These are all claims that deserve thoughtful discussion. But putting television on trial won't get us very far."***<sup>3</sup>
  - 2.2.2. And as pointed out by Australia's leading advertising research academics, Associate Professors Dr Debra and Dr Michael Harker of Queensland's University of the Sunshine Coast: ***"To date, much of the debate surrounding obesity...especially in young people...has been based on spuriously accurate data, anecdotal evidence and dogma"***<sup>4</sup>

## 3. THE CASE FOR ADVERTISING

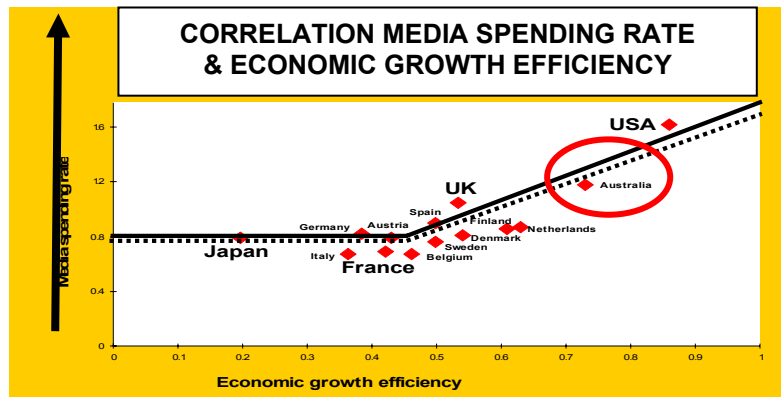
- 3.1. An essential element of commercial activity within a private enterprise democracy, advertising stimulates economic activity at the same time as providing prospective purchaser awareness and driving business competition that benefits consumers through lower prices.
- 3.2. Promoting and protecting *responsible* marketing communications since 1928, AANA represents best practice in traditional advertising together with more modern marketing communications. With a membership based on advertisers but ranging from academic education and research sectors, through the creative, planning and placement processes associated with commercial communications, to providers of advertising-funded mainstream and emergent media, its views are broadly representative of the advertising, marketing and media industry.
- 3.3. For more than a century, Australian advertisers have performed a socially ,economically and politically important role, today accounting for annual expenditures of around \$30 billion.

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<sup>3</sup> Lumby, C. "Why TV is Good for Kids"(2006).

<sup>4</sup> Harker, D & M. "Social Marketing: Why Should The Devil Have All The Best Tunes?"(2007)

3.4. The AANA draws attention to the internationally-recognised correlation between advertising and marketing communications investment and overall economic prosperity.<sup>5</sup>



3.5. With advertising, marketing and media activity globally recognised as an essential link in the economic cycle of production, distribution and consumption, international comparisons show the Australian society to be a leading beneficiary of what is generally known as ‘media spend’.

3.6. While the global financial crisis clouds the outlook from January 2009, on application of the flow-through multiplier adopted in the United States<sup>6</sup>, the true value of advertising and marketing communications investment in Australia can be estimated to currently exceed \$200 billion a year, with consequent social and economic benefits cascading throughout all States and all levels of society.

**3.6.1. The AANA counsels the Preventative Health Taskforce to research the flow-on effects of any and all actions mooted in its discussion paper that would, individually or collectively, impact on ‘media spend’, particularly at a time when it is crucial to the economic stimulus sought by the Federal Government as insulation against economic recession in Australia as a consequence of the global financial crisis.**

**Threatened action against freedom of commercial speech in the form of advertising bans, restrictions or taxes (or the removal of tax-deductable for a legitimate business expense), can only damage business confidence and undermine Federal Government efforts to avoid a recession in the domestic economy.**

**4. RESPONSIBLE ADVERTISING**

4.1. Beyond the immediate considerations of this Submission, the AANA is committed to advocacy and oversight of *responsible* advertising and marketing communications practice in sustaining Australia’s social as well as economic advantages flowing from an essential business activity.

4.2. The AANA acknowledges that advertisers, marketers and the media must recognise the social and cultural impacts accruing alongside the economic benefits to the Australian community as a whole.

4.3. The AANA points to demonstrations of such recognition in the recent Food & Beverages Industry Responsible Marketing Initiative led by the Australian Food & Grocery Council supported by the

<sup>5</sup> Union Des Annonceurs “The Impact of Advertising Regulation on Economic Growth,” (2005)

<sup>6</sup> Reame, B. (US) Association of National Advertisers

AANA, and in the \$10 million *Eat Well, Play Well Live Well*, healthy lifestyle advertising awareness campaign devised and delivered by the advertising, marketing and media industry under AANA leadership.

- 4.4. The AANA points out that the *Eat Well, Play Well, Live Well* campaign was originally devised as the spearhead to a Federal Government led all-of-community campaign.
  - 4.4.1. **With its expertise and experience supporting a belief that such a campaign could assist the objectives of the Preventative Health Taskforce by providing the basis of a necessarily multi-channel of communication to at-risk children and their parents, AANA again offers to assign all existing rights in the campaign to the public benefit.**
- 4.5. In specific regard to the future of such communication with young people, AANA draws attention to the fact that, under influences including the Federal Government's *Digital Action Plan*<sup>7</sup>, a paradigm shift in entertainment and information platforms is currently reducing audiences of traditional media quite significantly—and those of children most markedly.
- 4.6. Within this paradigm shift, young audiences are leading a migration from communication channels with established controls to emergent and less readily regulated information and entertainment platforms, with indications that this is proceeding at an unprecedented but still-accelerating rate.
- 4.7. The AANA is committed to the extension of its influence over traditional media advertising into all new areas of commercial communication, and to assist Preventative Health Taskforce understanding of the extent of this commitment, the accompanying table demonstrates the

<b>Change in Average Audience 0-14 Viewing Commercial TV</b>			
<b>Source: OZTAM</b>			
	<b>2006</b>	<b>2007</b>	<b>% Change Year on Year</b>
06:00:00 - 06:59:59	24,672	26,788	9%
07:00:00 - 07:59:59	119,167	108,178	-9%
08:00:00 - 08:59:59	133,982	124,103	-7%
09:00:00 - 09:59:59	92,651	84,376	-9%
10:00:00 - 10:59:59	76,758	60,920	-21%
11:00:00 - 11:59:59	73,032	54,287	-26%
12:00:00 - 12:59:59	75,838	59,655	-21%
13:00:00 - 13:59:59	75,953	59,221	-22%
14:00:00 - 14:59:59	74,681	59,857	-20%
15:00:00 - 15:59:59	80,794	70,831	-12%
16:00:00 - 16:59:59	96,886	91,611	-5%
17:00:00 - 17:59:59	182,474	158,323	-13%
18:00:00 - 18:59:59	421,477	372,301	-12%
19:00:00 - 19:59:59	479,536	419,013	-13%
20:00:00 - 20:59:59	414,410	369,318	-11%
21:00:00 - 21:59:59	272,040	239,519	-12%
22:00:00 - 22:59:59	139,136	120,077	-14%
23:00:00 - 23:59:59	55,585	43,072	-23%

<sup>7</sup> Coonan, H. Minister for Communications “*A Digital Action Plan for Australia*” (2006)

acceleration in the migration of children and teenagers to alternative avenues of communication to those provided over the past 50 years by a highly-regulated regime of advertising-funded free-to-air television.

- 4.8. As illustrated, the viewing patterns of children are not only changing in the mornings (7:00am-8:00am) and afternoons (4:00pm-5:00pm), but also declining in the evenings (across all time periods from 5:00pm to 10:00pm), with the 5:00pm-8:30pm decline averaging 12% in the latest year alone—and continuing to accelerate alongside less-informed calls for increased regulation to protect children from supposedly ‘harmful’ advertising.
- 4.9. The exodus of young viewers from commercial television has recently run ahead of the switch of advertising funding (which generally follows audiences). However, the latest indications from AANA members suggest a tipping point may be imminent, with large-scale transfers of advertising investments into new channels of communication with young audiences serving to further accentuate their reduced viewing of commercial television (programs and advertising).
- 4.10. A recent research paper by Queensland academic Anna Potter<sup>8</sup> points to further acceleration of the trend to new media platforms flowing from the severe impacts on Australian/British co-productions for commercial television flowing from food advertising restrictions by the UK regulator Ofcom—restrictions which the Australian Communications & Media Authority could find no justification for introducing into Australia in its draft recommendations on Children’s Television Standards.
- 4.11. According to noted media researcher and lecturer Anna Potter, what have been labelled as politically-driven “*draconian*” advertising restrictions introduced through Ofcom, have already caused children’s program production cut-backs that will impact on Australian as well as British production studios and broadcasters reliant on co-sponsorship.
  - 4.11.1. ***“As funding and airtime for new UK children’s programming is reduced, the effects are likely to be felt in Australia [...] there may well be less demand for children’s programs of any sort and less inclination to put significant funds into Australian co-productions [...] The size of Australia’s population necessarily limits the amount of advertising revenue available for program production.”***

5. **ADVERTISING REGULATION**

5.1. In supporting the established principle of multi-layered governance of commercial television, ranging from government legislation to individual advertiser codes, the AANA commitment to responsible advertising with specific regard to young audiences is demonstrated through its estab-



<sup>8</sup> Potter, A. “*Junk Food or Junk TV: the potential impact of the UK’s ban on junk food advertising on the production of children’s programs*” Media International Australia (November 2007 Publication Pending)

## INDIVIDUAL COMPANY CODES

lishment of the industry self-regulatory system now managed by the Advertising Standards Bureau and Board, and further by the special attention accorded to children embedded in:

- 5.1.1. the AANA Advertiser Code of Ethics<sup>9</sup>;
  - 5.1.2. the AANA Advertising to Children Code<sup>10</sup>;
  - 5.1.3. the AANA Food & Beverages Advertising & Marketing Communications Code<sup>11</sup>.
- 5.2. Codes promulgated by the AANA have been integral to the advertising industry's self-regulatory regime from its establishment in 1997 in support of its commitment to responsible advertising—and they remain uniquely essential to the provision and supervision of a uniform set of advertising and marketing communication standards across all media.
- 5.3. Drafted in accord with the International Chamber of Commerce guidelines and their governing principle that it is in the best interests of communities to avoid excessive regulation in the field of advertising and commercial communications that might hinder free trade and affect economic growth and development, the AANA Codes continue to provide the industry's primary standards.
- 5.4. The Codes prescribed by the AANA are referenced and endorsed across all areas of advertising, marketing and media, with active industry support including the training for designers and developers of responsible advertising which has been made mandatory for qualification under agency accreditation by the Advertising Federation of Australia.
- 5.4.1. Beyond the regulation of advertising directed at young people embodied in the AANA Advertiser Code of Ethics, the AANA established the Advertising & Marketing Communications to Children Code to specifically address emerging community concerns relating to advertising and children.
  - 5.4.2. **This Code continues to afford the most effective means of ensuring prevailing community standards are reflected in responsible advertising to young people, referencing both food & beverages and alcohol products indicated as of some concern to the Preventative Health Taskforce, and which the AANA undertakes to ensure support the stated objectives of *Australia: the healthiest country by 2020*.**
- 5.5. Over and above the regulation of advertising directed at children embodied in the Advertising to Children Code, the AANA included a specific section focusing on children in the world's first Food & Beverages Advertising & Marketing Communications Code to comply with the International Chamber of Commerce standards released in 2006.
- 5.6. In accord with its leadership of an Australian coalition under the global Responsible Advertising and Children Initiative<sup>12</sup>, the AANA Board has recently given provisional support to research into a media literacy program for primary-school aged children specific to Australia's culture and information services environment (currently under discussion with ACMA), with particular note been taken of US paediatric research supporting such education as fundamental.
- 5.6.1. ***"...one solution that is non-controversial and would be easy to implement is to educate children and teenagers about the effects of advertising—media literacy. Media education seems to be protective in mitigating harmful effects of media, including the effects of cigarette, alcohol, and food advertising."***<sup>13</sup>

<sup>9</sup> AANA Advertiser Code of Ethics, attached.

<sup>10</sup> AANA Advertising to Children Code, attached.

<sup>11</sup> AANA Food & Beverages Advertising & Marketing Communications Code, attached.

<sup>12</sup> [www.responsible-advertising.org/](http://www.responsible-advertising.org/)

<sup>13</sup> American Academy of Paediatrics, "*Children, Adolescents and Advertising*" (December 2006)

## 6. SPECIFIC ISSUES

6.1. The AANA draws specific attention to a number of incorrect assumptions, assertions and misunderstandings represented in the Discussion Paper published by the Preventative Health Taskforce.

6.1.1. In the Executive Summary [Page viii] it is stated that:

*“Our health is not only determined by our physical and psychological make-up and health behaviours, but also by ... the advertising we are exposed to ... and the laws and other regulations in place in our society.”*

6.1.2. The AANA submits that there is no evidence that advertising is injurious to health, and notes that protection against such a possibility is already provided under the AANA Advertiser Code of Ethics, which provides the fundamental basis of a world-standard of industry self-regulation in Australia, and which states in part:

*“Advertisements shall not depict material contrary to prevailing community standards on health and safety.”*

6.1.3. In the Executive Summary [Page Xiii] it is also stated that:

*“Social marketing and public education are required and will be more effective if the marketing of alcoholic beverages is restricted, including curbing advertising and sponsorship of cultural and sporting events.”*

6.1.4. The AANA submits that there is no evidence to support the contention that social marketing and public education are made more or less effective by censorship of alcohol-related product advertising, and suggests that the proposed curbing of cultural and sporting event sponsorships reflects a lack of understanding of the role of such activities which generally focus on brand rather than product promotion.

6.1.5. The AANA draws attention to new research from Britain<sup>14</sup>, involving a three-year study funded by the Economic & Social Research Council, and associated comments by researcher Professor Isabelle Szmigin that shock-tactic (social marketing) advertising does not always work, and runs the risk of alienating the very people to which it is intended to appeal.

6.1.6. The AANA further submits that prohibition of cultural and sporting event sponsorship by the alcohol industry could have unintended consequences in reducing access to activities satisfying social needs of large sections of the Australian community.

6.1.7. The Discussion Paper recommendation of removal of tax deductibility for advertising and development of a staged approach to the restriction of alcohol advertising is similarly reflective of prohibition policies that have been demonstrated to generate undesirable social consequences where applied in such countries as the USA.

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<sup>14</sup> The Meanings of Alcohol Consumption for Young Adults: 2005-2007

- 6.1.8. The AANA submits that in the Discussion Paper [P15] recommendation of curbs on *“inappropriate advertising and promotion including banning advertising of energy dense, nutrient poor foods during children’s viewing hours,”* the Preventative Health Taskforce is making assertions that cannot be substantiated when what is ‘inappropriate’ lacks explanation, there is no scientific definition of ‘energy dense, nutrient poor’; and no explanation of what is meant by ‘children’s viewing hours.’
- 6.1.9. The Discussion Paper reference [P33] to a suggested saving of \$2,450 million in social costs of alcohol-related harm through *“partial advertising and marketing controls”* fails to acknowledge that the consumption of legal alcoholic beverages is not a factor that can be controlled by a tap-like filter on marketing communications or by a regime of official censorship.
- 6.2. The AANA draws special attention to the finding of more recent research by Frontier Economics<sup>15</sup>, there is a risk of alcohol advertising bans having an opposite effect to that intended and *increasing* rather than *reducing* consumption levels.
- 6.3. The AANA notes that the Discussion Paper assertion [P36] that *“young people will increasingly be targeted through planned and sophisticated multimedia-based alcohol advertising”* can have no basis in fact, and appears to indicate an inappropriate bias within the Preventative Health Taskforce.
- 6.4. The attention of the Preventative Health Taskforce is drawn to newly-completed British research into the role of advertising and branding in the alcohol consumption practices of young adults, with particular reference to the global phenomenon of ‘binge drinking.’ Funded by the UK Economic & Social Research Council as a basis for policy discussion, the three-year study has been led by Professor Christine Griffin, Professor of Social Psychology at the University of Bath, who offers the following advice for policymakers:
- “Top of my list would have to be to stop demonising and making generalisations about young people and their drinking. We also need to listen and incorporate their views and perspectives.”*
- 6.5. The AANA further notes that the Discussion Paper assertion [P43] that *“advertising, packaging, labelling and promotion of products are standard ways in which all manufacturers and retailers increase sales and drive up income,”* demonstrates a lack of understanding of modern marketing communications, and of free market competition and its choice and cost benefits to the community.
- 6.5.1. Finally, the AANA notes that the associated comparison between alcohol and tobacco product marketing is improper, failing to acknowledge that while it might be fairly argued that *‘every cigarette does you harm,’* the corresponding argument cannot be made in relation to ‘every drink’. Indeed, there is widespread medical opinion that moderate consumption of alcohol can be beneficial to adult health.

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<sup>15</sup> Frontier Economic Reference

## 7. CONCLUSIONS

7.1. On the basis of the observations in this submission, the Australian Association of National Advertisers, on behalf of the country's \$30 billion advertising, marketing & media industry, urges the Preventative Health Taskforce to give particular regard to these primary points:

**7.1.1. There is a need to look beyond emotive terminology to evidence-based cause and effect analysis of proposals to improve the health and welfare of the nation.**

**7.1.2. There is a case for consideration of the risk of well-meaning but ill-conceived recommendations, as signalled in the discussion paper, counting to the cost of potential impairment of the social and economic benefits flowing from a \$30 billion advertising, marketing & media industry, particularly at a time when the nation is threatened by a global financial crisis**

**7.1.3. There is a research-proven danger of misinformed policymaking having an opposite effect to that intended.**

The AANA will be ready to speak to this submission and otherwise assist the Preventative Health Taskforce at any time.

**Scott McClellan  
Chief Executive Officer  
Australian Association of National Advertisers**